

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1100

Department: California Science Center

How was reduction implemented?

Control Section 4.10 was implemented arbitrarily and without program input. All Science Center positions vacant on June 30, 2003, were abolished, regardless of their critical or essential business operation need. Although there was a process to justify reestablishment of positions, only those abolished as a result of technical error or meeting very limited criteria were restored. Of the 9 positions abolished, 6 were vacant for 4 months or less. Some of the abolished positions will have a long-term negative impact because of the ongoing reluctance to fill or support positions that are administrative in nature. The ongoing difficulty in obtaining hiring freeze exemption approval will further impact the Science Center, as vacant positions exceeding 6 months will be eliminated.

The Science Center did have an opportunity to substitute positions abolished by the Control Section 4.10 with positions identified in the Science Center's 10-16% layoff plan. Our reduction plan identified positions where impact to business operation could be minimized by redistributing workload. However, implementation and reconciliation of positions abolished from Control Section 4.10 and Budget Letter #03-06, was complicated. While the decision to abolish vacant positions was implemented by Department of Finance, approval to implement 10-16% reduction plans required joint approval from Department of Finance and the Department of Personnel Administration. This joint approval process was lengthy and resulted in missed target deadlines for implementation, less actual Department savings, and Department's ended up losing more employees within targeted classifications due to SROA notification.

For example, the Science Center submitted a revised lay-off plan on July 17, 2003, substituting some positions to be abolished due to Control Section 4.10. The Science Center did not receive approval to proceed with layoffs until November 12, 2003. This date was rescinded and delayed until January 5, 2004. Because of the lengthy SROA process and the 30-day notice of lay-off requirement, actual layoff did not occur until February 6, 2004, seven months later. As a result, in addition to losing Control Section 4.10 positions and positions targeted for lay-off, the Science Center lost four additional employees to SROA transfers.

What was the actual effect of this reduction?

Control Section 4.10 reductions had an overall negative impact on Science Center business operations. The Control Section 4.10 undercut the Department's 10-16% reduction plans already in process. Departments were strongly encouraged to substitute abolished positions with filled positions identified in the Department's 10-16% reduction plan to reduce employee layoffs. While some substitutions alleviated potential layoffs, it did not take into consideration critical business need and program impact.

Impact to programs/operations: within Science Center's Facility Operations:

Administrative support in facility operations - Lost 100% clerical support to facility operations (4 out of 4 positions). This Division represents 70% of the Department. There are 72 employees and 4 administrative support positions. Administrative/clerical support staff process work orders (average of 341 per month), purchase orders or schedule repairs and maintenance (average of 225 per month). Facility Operations includes building trades (plumbers, painters, building maintenance workers, maintenance mechanics, electricians, and carpenters), custodians, groundskeepers, exhibit workers, exhibit electronic technicians and exhibit design/installers. Building trade and exhibit technical staff is being either pulled from the field or called back on overtime to conduct administrative work. Supervising managers are also now serving as timekeepers for their branch and are taking care of the day-to-day administrative support needs. With the staff reductions already experienced within facility operations, taking building trades, custodial, grounds keeping and exhibit technical staff away from their primary work assignments has exacerbated repair and maintenance delays and work backlog. We are receiving negative comment cards reflecting the decline in general upkeep and inoperable exhibits from guests. The Department is also incurring costs associated with overtime and CTO in order to cover shifts and address administrative support staff needs. Using technical staff, building trades staff and managers to perform administrative support has been an inefficient use of already limited resources. It has also resulted in overtime costs and extended shifts that have been physically taxing on employees.

Janitorial services - Eliminated an entire shift of janitors. Janitors perform critical cleaning and upkeep of facilities and exhibits. Tasks include but are not limited to sweeping, mopping, dusting, removal of trash and graffiti, cleaning of restroom facilities, all fixtures and the refilling of all necessary supplies, such as soap, and paper towels, etc. throughout the seven facilities. The Department has managed staffing reductions by redistribution of workload and elimination of the third shift. However, continued redistribution has resulted in excessive CTO balances and overtime costs.

Exhibit maintenance and operations - Exhibit workers perform a variety of critical maintenance and repair functions necessary to maintain and operate permanent, temporary, and traveling exhibits. Exhibit Services Department has experienced a 20-25% delay in repairs to down/damaged exhibits this has resulted in negative guest experiences.

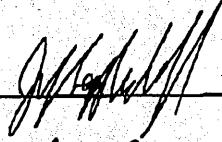
Painting, maintenance and graffiti removal - One of the three painter positions was eliminated. Tasks include setting up and preparing various surfaces for painting, performing preventive maintenance, and completing work orders. The Department has managed staffing reduction by redistribution of workload and has experienced 33% delay in responding to work orders.

Impact to programs/operations: within Science Center's Human Resources Administration

Administrative support in personnel services - One out of two personnel specialist positions were eliminated. The Human Resource office currently provides services to 106 state employees in 16 bargaining units at the California Science Center, California African American Museum, and Office of Park Management. A 50% reduction in personnel specialist staff will continue to impact employee payroll adjustments resulting from MSAs, lump-sum payouts, accounts receivables, garnishments, dock/AWOL; FLSA calculations; salary verification; processing health benefits (health, dental, vision, flex-elect, long-term care, temporary and short-term disability, life insurance), retirement, direct deposit, etc., processing and maintaining accurate leave accrual balance and processing special pay and settlements/stipulations, etc.


The Department is managing this staff reduction by continuously prioritizing in order to avoid fines and penalties for late processing, grievances and complaints, delinquent reports to control agencies, untimely collections of overpayment due back to the State or underpayment due to employees. Employee interaction, and the ability to quickly respond to management and /or employees questions will be impacted, therefore making it difficult to provide customer service.

Department Director Approval:



Date: _____

Agency Secretary Approval:



Date: 3-11-04

**BL 04-03
Attachment I**

Control Section 4.10 Reductions By Program

Org. Code: 1100-001-0267

Department: California Science Center/Office of Park Management

How was reduction implemented?

In response to Control Section 4.10, the Office of Park Management (OPM) implemented the reduction to their program by relinquishing the Interim Director (formerly the Deputy Director) position. As of June 30, 2003, the OPM had seven (7) vacancies, which consisted of: one (1) Interim Director; three (3) Supervising Museum Security Officers; and three (3) Museum Security Officers. As a result of Budget Letter 03-06, all of these positions were identified to support the mandated reduction based on the initial 10%-15%, which was required of all departments. Initially, this included Special Fund departments; however, the requirement was subsequently reduced by the Department of Finance to 2% for Special Funds. Departments that provide public safety or 24-hour care, and forestry were excluded from reduction requirements. Therefore, all of OPM's supervising museum security officers and museum security officers positions were exempt from the Control Section 4.10 reduction.

After the exemption approvals for the public safety officer positions were granted and restored, the Interim Director position was abolished by Control Section 4.10 as the position identified in OPM's 2% reduction. The Interim Director's position yearly cost of \$119,686 (salary and benefits) far exceeded the \$58,517 (2%) requirement and was one of only five administrative positions originally authorized for OPM.

What was the actual effect of this reduction?

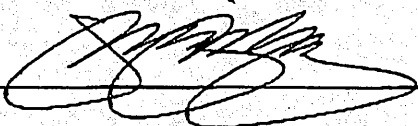
The Office of Park Management is a Special-Fund program solely supported by revenues collected and deposited into the Exposition Park Improvement Fund. All General Fund Appropriations to support its operations discontinued in 2002/2003 Fiscal Year. Since that time, OPM has continued to spend down the Exposition Park Improvement Fund to support the State's budget crisis.

Exposition Park is a 160-acre site located in South Los Angeles that is primarily owned by the State of California. Through the efforts of the Office of Park Management, which consists of Park Management Administration (Park Manager, Associate Governmental Program Analyst, and Office Technician) and the Department of Public Safety (which currently has six (6) vacancies), OPM is responsible for providing police and security services (approximately 4 million annual visitors), parking complexes and operations, overseeing grounds and landscape maintenance services, managing lease holds, and coordinating traffic, circulation and the use of all outdoor public spaces in Exposition Park. Due to the loss of the Interim Director (Deputy Park Manager) and with the State's current hiring freeze, the Exposition Park Manager, Chief, Department of Public Safety, and Associate Governmental Program Analyst are currently performing the duties of the Deputy Park Manager. The Deputy Park Manager was responsible for developing, coordinating and managing daily park operations and related activities for Exposition Park including overseeing events held in the park, which may approach crowds of nearly 100,000 on a sold out University of Southern California Football game day.

Furthermore, the elimination of the Administrative Assistant position in 2002/2003 fiscal year has nearly crippled the park manager and creates gridlock as it relates to performing routine administrative duties due to the shortage of staff.

The cumulative effects of the elimination of the Interim Director (Deputy Park Manager), the Administrative Assistant, and all General Fund Appropriation, which were necessary components in providing support to functions that are critical to OPM's daily operations, has placed OPM in a near crisis mode.

Department Director Approval:



Date:

3/10/04

Agency Secretary Approval:



Date:

3-11-04

BL 04-03
Attachment I

Control Section 4.10 Reductions By Program

Org. Code: 1105

Department: California African American Museum

How was reduction implemented?

Loss of two personnel positions:

Photographer /AV Tech	\$ 49,896
Exhibit Technician	\$ 51,846
Total Personnel	\$101,742

and

Reduction of OE&E:

General Expense	\$ 65,414
Facility Operations	\$ 50,000
Consultant-External	\$ 60,000
Equipment (over \$5,000)	\$ 30,000
Total OE&E	\$205,414

Total Reduction \$307,156

What was the actual effect of this reduction?

- The analysis below mirrors the figures as they were broken out and presented to the Legislature by DOF and SCSA. They differ slightly from what was submitted by CAAM to the lead Fiscal Officer for CAAM and CSC. Additional details are available re these differences if needed.

Personnel

When the FY2004 budget reductions were being requested, CAAM had already been operating in nearly every department with a staff of one and all vacancies taken. All of its departments were left with no back up coverage to cover for vacations, sick days, double workload, special projects or even restroom breaks. *These reductions were already resulting in the museum being open to the public only 4 days per week, several staff members carrying double workloads, significant increase in CTO accumulations, delayed public and agency responses, reduced program offerings and little time for building in long range planning and efficiencies.*

The additional FY2004 cuts further reduced CAAM's staff by 2 more positions, eliminating CAAM's on-staff Photography/AV Department and reducing by 1/3rd CAAM's Exhibitions Team responsible for building, installing, maintaining and de-installing actual exhibition artifacts and program/workshop materials and equipment, and meant the continued reduction of hours that the museum could be open to the public. As with many of the past staff losses, these were

services not otherwise supplied to CAAM by the Science Center, and they remain services that could not be eliminated simply because the positions are lost in the state budget. In both instances, the services previously provided by these two employees are needed for the functional operations of CAAM's public programs and responsibilities as it relates to the collection and preservation of historical art, artifacts and documents of African American history and culture. At this time, when such services are required, they are being outsourced on a project by project basis through independent contractors. Consequently, in addition to the loss of the personnel funds, CAAM is also spending funds not originally budgeted for to cover the cost of securing contracted services. CAAM estimate this additional non-personnel cost will be between \$10 – 15,000 per year depending upon the scope and scale of the projects being implemented. On-going administration and responsibility for the day-to-day documentation, filing, and response activities previously handled by these employees remains undone. There are no private funds at this time within CAAM's Friends Foundation to make up these state shortfalls. The following outlines the impact of losing the 2 specifically laid off positions.

- Photographer/AV Technician – The Photography Department not only supported the documentation of CAAM's collection and artifacts but also items that come in on loan and the documentation of the events, programs, and hundreds of African Americans that grace our doors. The Photography Department was also responsible for managing all AV equipment and set-ups associated with events for both CAAM and outside users of the CAAM facility and website maintenance. The Photography Department was a key component in CAAM's efforts to increase visibility as it re-opened its doors following the 18-month closure for infrastructure renovations, and to insure the full archival documentation of CAAM's collection. The Photographer was regularly called upon to provide materials for the museum's audience outreach, marketing and publicity campaigns for newsletters, advertisements and general notices to the public. The Photography Department has been key to CAAM's delivery of publications that document our scholarly and visual achievements, including our quarterly newsletter. While funds have been saved in the personnel budget, CAAM must now pay for each use of an outside photographer and AV technicians for events. Additional costs have also been incurred to cover the cost for photographs and materials, and equipment rentals. These are services that previously could be covered in house at little or no additional cost. In the end, this additional cost to the non-personnel budget will simply result in additional operating expense charges. CAAM has transferred the website development and maintenance duties to its current IT contractor with internal liaison management transferred to CAAM's Interim Deputy Director for Operations. Costs for this additional service may be added to the FY 2005 contract. Finally, it should be pointed out that CAAM's plans to re-institute a weekend photography class for neighborhood children will also not be realized.
- Exhibition Technician – CAAM's exhibition department was to 2 staff members to support all of its creation, installation, maintenance and de-installation for exhibitions and education programs and workshops. This team is not only responsible for hanging and positioning artwork and historic artifacts and photos, but for issues associated with mounting such work and making necessary repairs. Millions of dollars worth of art work and historical artifacts are regularly managed and maintained by this team that must be trained in the proper handling of rare and often delicate objects. The choice to reduce this department from 3 to 2 people occurred not because the work can easily be handled by two people, but because all other departments (except in the Education Dept.) were already down to 1 person. Very

little of this work can only be done by two. CAAM displays both self-created and contracted exhibitions. *To support the roster of exhibitions for the year, CAAM has spent funds otherwise not budgeted for from the non-personnel funds to outsource for contracted labor to support the installation and de-installation of the shows.*

- Mutually Shared Impact from Loss of Two Positions - CAAM also produces revenue for itself (rental fees) and Park Operations (parking fees) through its Facility Use program. This program grants outside community, educational and cultural organizations the right to use our facility after hours at fees that cover the cost for staff, maintenance, parking, security and some levels of equipment use. CAAM's rental areas are customized to suit each user's need and it is the members of CAAM's Photography and Exhibition Departments that have worked with the sole member of CAAM's Facility Use Dept. to set up and define the various room uses, including adjusting exhibition set-ups when needed to accommodate a particular rental use, and all sound and AV equipment uses. Without Photographer/AV Tech and the Exhibit Technician, CAAM is further limited in the services that can be offered for its own programs and those that can be offered to outside users. CAAM anticipates increasing its facility use rental fees to cover the increased cost of securing outside contracted services. This will also require an increase in its "reimbursement fund". However, it should be noted that the use of outside contractors is not possible for all work, since such persons are not familiar with the premises, equipment and where to locate resources. Consequently, each event or need requires supervision from remaining CAAM staff. *The good news is that the demand for use of CAAM's facilities has grown. However, with the CAAM staff now down to 13, and recognizing the limited scope of responsibilities for some of these positions, meeting this growing demand for the use of CAAM's premises is becoming increasingly more difficult. There simply is not sufficient staff familiar with CAAM's resources and knowledge to allow the same level of expanded use by others, and not enough staff to provide for consistent supervision of contractors. Analysis of how to restructure this program and the resources needed is underway.*

Operating Expenses & Equipment

CAAM came into the FY2004 budget year having already lost 1/3 of its non-personnel budget from prior cuts. The reductions for FY2004 left CAAM with approx. \$450,000 in non-personnel funds. More than \$300,000 of these costs are fixed and unavailable for reduction. These are for costs such as utilities, communications, postage, insurance, facilities operations, data processing and interagency charges for required services. Consequently, only a small amount of funds remain in CAAM's budget to support the development, implementation or maintenance of exhibition and education programs for the public and school groups. *Private funds have and are being used to help supplement the funds originally planned to support previously contracted and announced programs. Over the past 24 months CAAM has lost more than \$1million in funding. The loss of the additional \$205,000 of non-personnel funds simply increased CAAM's private fundraising need, and made it impossible for CAAM to reopen with a complete slate of programs and workshops for the public. This has resulted in increased complaints because the museum is not open on Sundays. Programmatically, the reduced level of funds have been directed almost solely to support securing, developing and installing the exhibitions with only limited ancillary educational programs. It could take nearly two years to solicit and secure outside donations to make up for those losses from private funds. Some of the specific losses from within the non-personnel cuts taken in FY2004 can be summarized as follows:*

- General Expense – CAAM lost \$65,414 in general expense funds generally used to support the exhibitions, workshops and education programs as well as library materials. The main support for exhibition installation supplies to construct and build our exhibitions, materials to frame and preserve art and history artifacts, and purchase educational workshop supplies are supported from this area of the budget. *Since ancillary programs and educational workshops are based on the exhibitions, CAAM elected to reduce the amount of funds available for ancillary workshops and education programs and focus resources instead on exhibitions. Funds used to produce public materials (brochures, notices, etc.) were also dramatically reduced for exhibition and ancillary programs.* The result is a museum with full infrastructure renovations, but less than a full slate of public programs.
- Facility Operations – CAAM lost \$50,000 in funds previously dedicated to covering the cost of facility operations. *At this time all of the funds remaining in this area of CAAM's budget have been negotiated to their minimums where that is possible. In other instances they are tied to charges from other State agencies and are fixed and unavailable for further reduction or savings.* CAAM just completed a \$4 million dollar renovation project. No additional funds were put into CAAM's budget to support the new systems and infrastructure put into CAAM as a part of the renovation. Therefore, as systems have been brought on line, CAAM is absorbing these increased costs in addition to the budget reductions. The level of reductions at this point simply mean that CAAM is deferring maintenance on areas that were not renovated and delaying proper preventative measures for newly renovated areas. The decrease in CAAM's budget means a deferral and most likely increase in costs for the future.
- Consultant & Professional Services-External – CAAM dramatically reduced its access to contracted exhibits, outside consultants and professionals by taking a cut of \$60,000 for FY2004. This area of the budget is used in the past to pay for contracts for the rental and shipping of exhibitions, art appraiser for appraisal of artifacts, for insurance and permanent collection purposes, and curators and workshop instructors. These funds have allowed CAAM in the past to have a mixed offering of both self-curated and shows that are touring the country that otherwise might not make it into California or the Southern California region. *While the alternative is to increase the number of self-curated shows, there is not enough staff or funds within the budget to sufficiently make up for this loss in funds except as secured on a project by project basis.* The loss of these funds has also impacted CAAM's ability to hire marketing professionals who would have developed and instituted a complete promotional campaign to increase membership and visitorship to the museum, as well as expand its statewide outreach.
- Equipment (over \$5,000) – CAAM eliminated \$30,000 in costs otherwise dedicated to replace outdated office equipment and to support IT equipment and software. CAAM is subject to not being able to fully meet the standards of IT requirements mandated by the state for information security, and improved website delivery.

Department Director Approval: 

Date: 3/10/04

Agency Secretary Approval: 

Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1110/1120

Department: Consumer Affairs/California Board of Accountancy

How was reduction implemented?

From the outset, the California Board of Accountancy (Board) plan of action related to Control Section 4.10 Program Reductions was focused on two objectives: achieving required reductions with minimal job loss to employees, and maintaining maximum possible efficiency in meeting stakeholder needs.

To address the first objective the Board looked to vacant positions, which would likely be lost due to the Hiring Freeze and the 6-month vacancy rule, to attain the targeted budget reduction. Given that savings from the elimination of the Board's four vacant positions was insufficient to achieve the full reduction, the Board next looked to funds budgeted for various blanket activities, including Board and Committee Member per diem, and funds for payment of proctors to help administer the CPA Examination. Still, the total of the vacant positions and the available blanket budget funds was insufficient to reach the targeted reduction, even with the elimination of associated staff benefits.

Finally, the Board had to assess positions that were only being "partially used" (part time staff person in a full time position) as a source of additional savings. By eliminating $\frac{1}{4}$ of an analyst position and $\frac{1}{2}$ of a clerical position that were filled by staff working only part time due to reasonable accommodations, the Board was able to achieve the remaining savings required to reach the full Control Section 4.10 Program Reduction.

Following attainment of the required savings, the Board next examined the programmatic impact of the vacant position elimination, as it was clear that the Licensing Unit had been heavily impacted by the lost positions. Various position reassignments were made within the Licensure Program, as well as a restructuring of the Licensing Unit and the Renewal Unit to minimize the licensing workload backlog that it was believed would develop through the loss of positions. The last piece of the Board's plan related to its second objective – continuing to efficiently meet stakeholder needs – consists of temporary staff reassignments including redirecting analytical staff to performing clerical functions, on a regular basis.

What was the actual effect of this reduction?

In compliance with the Control Section 4.10 Program Reductions, the Board lost 18.0 positions (4 vacant, 0.8 unused, and 13.2 proctor) and \$409,913. The positions lost included three vacant positions in the Licensing Program, 1.8 vacant or partially unused positions in Administration, and position authority for 13.2 proctor positions in the Examination Program. The loss of these positions has produced:

- Increased licensing backlogs causing a six to eight month processing time for licensure of new CPAs, effectively denying a prospective licensee the ability to practice for a period of time.
- Up to a two-week delay in responding to consumer and licensee telephone calls or e-mail inquiries regarding licensure.
- Delays in collecting and processing renewal fees, inadvertently causing a situation in which some licensees are forced to practice with expired licenses, and increasing the number of delinquent licenses.
- Suspension of the functions of the Report Quality Monitoring Committee, which existed to perform a quality review of financial statements and reports of selected licensees who performed attest services.
- Discontinuance of reviews to ensure that all continuing education requirements have been met.
- Continued dependence on Board analytical and clerical staff to meet Reception/Mailroom duties resulting in delayed business services, personnel, budgeting, and cashiering activities.

- Elimination of ¼ of an analyst position to reflect ¾ time base of an employee occupying position. Loss of this "unused" portion of position will restrict the Board's ability to ever restore the full level of service needed in its Web-site Management program area.
- Elimination of ½ of a clerical position to reflect ½ time base of an employee occupying position. Loss of this "unused" portion of position will restrict the Board's ability to ever restore the full level of service needed in its Reception/Mailroom program area.
- New workload generated by applicant and licensee complaints (via email, letters, and telephone calls) related to the lack of customer service and the unreasonable delays.

Between FYs 2001/02 and 2003/04 the Board lost 11% of its **permanent** staff. Given its limited staffing resources, the Board has redirected staff from its other program areas to support the Licensing Program, resulting in a significantly diminished level of operations and services to licensees and consumers.

Executive Officer/Director Approval:

Carol Signa

Date: March 2, 2004

Agency Secretary Approval:

Fred Aguilar

Date:

3-11-04

Control Section 4.10 Reductions by Program

Org. Code: 1110/1130

Department: DCA/California Architects Board

How was the reduction implemented?

1. Office Technician: this was an enforcement unit position and its duties have been absorbed by others in the unit at higher classifications.
2. Management Services Technician: this was a licensing/examination unit position and its functions have been absorbed by others in the unit.
3. Office Assistant (Typing): this is the Board's initial consumer contact by phone or in-person. These functions have been absorbed by other Board staff in the same or higher classifications.
4. Exam proctors: these functions must now be partially absorbed by Board staff.
5. Overtime: staff was advised to minimize overtime as much as possible and that only CTO (compensated time off) will be given for critical overtime.
6. Board member per diem: Committee meetings and attendance at other functions is restricted to stay within limitations

What was the actual effect of this reduction?

1. Office Technician: Pending consumer complaints have grown from 289 in June of 2003 to 346 in February of 2004, which represents a 20% increase in only eight months. Implementation of AB 1144 (Chapter 313, Statutes of 2001), which requires the Board to establish a system of tracking architect business entity information, has been delayed. In addition, delays in responding to consumer complaints could result in an unnecessary risk of public health, safety and welfare.
2. Management Services Technician: due the Board's diminished ability to process applications, a waiting list for the California Supplemental Examination has been created. Candidates may only retake the examination twice per year rather than three times per year.

This position shared responsibility with another MST in the exam unit responsible for the development, coordination, and administration of the Board's supplemental exams. Positions are currently more than maximized; quality control and timely management of the exam will be impacted. Any impacts on quality control for the examination could require the Board to respond to complaints regarding exam administration and the Board could be obligated to defend against challenges to the exam process.

3. Office Assistant Typing: Position was initial consumer contact by telephone, person, and mail; higher classification of employees have to cover position, thus causing a resultant backlog in their respective functions (i.e., enforcement, exam, licensing, cashiering), thereby also exacerbating the problems associated with the cuts related to the MST and OT positions noted above.
4. Exam proctors: staff must provide these services at a higher pay rate on an increased basis, thereby increasing expenditures and adding to the backlog noted in 2 above.
5. Overtime: If employees need to work overtime and request CTO, they are forced to use the time off within the required time limitations, thus contributing to more time away from their functions. Program improvements and policy initiatives will be delayed or eliminated, and backlogs will be exacerbated.
6. Board member per diem: This reduction diminishes Board members' ability to participate in meetings, thereby damaging the institutional memory of the Board, which could impact the quality of the Board's policy decisions. This reduction also impedes Board members' ability to participate in committee meetings, which are crucial, because the Board employs strategic governance and committees drive the Board's agenda; as such, Board member participation on committees is crucial. Such cuts will also restrict board member participation with our regional and national associations, which is important because the national association develops our written examination and sets policy that impacts reciprocity. These difficulties will be exacerbated because all of the appointments to the Board have now been made, and because of restrictions on travel.

Department Director Approval: Dee-Ann Zmuck

Date: 3.3.04

Agency Secretary Approval: Fred Aguas

Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 110/1130

Department: DCA/Landscape Architects Technical Committee (LATC)

How was reduction implemented?

Staff Services Analyst: As directed by Control Section 4.10 of the 2003 Budget Act, the LATC was required to reduce its personnel services by 12%, which equated to a reduction of 2/5 of a position. This resulted in a full-time staff services analyst resigning from the LATC in September 2003 to obtain employment in the private sector.

Committee Members: The LATC has suspended its meetings at universities with landscape architectural programs. Meetings are held at the California Architects Board or via telephone conference calls.

Exam Proctors: The LATC reduced the number of proctors for each exam site and staff has been absorbing some of the duties.

What was the actual effect of this reduction?

Staff Services Analyst: In November 2003, a part-time (3/5) staff services analyst was hired to fill the reduced position. Unfortunately, this individual is not familiar with board functions, project planning and report writing, all vital components of this position. Staff has to provide extensive one-on-one training on the program components of the LATC, as outside training classes are approved on a limited basis due to budgetary restraints. Due to the hiring freeze, the recruitment for a part-time employee was limited to the SROA/Surplus pool of candidates. Due to the limited number of staff as well as the demands and responsibilities of this position as identified below, this position is critical and central to the core functions of the LATC.

Prior to the personnel reduction the responsibilities of this position included but were not limited to:

- Serving as the enforcement and outreach coordinator
 - responding to consumer complaints against licensees and unlicensed individuals
 - conducting education outreach to consumers, local public agencies, and educational institutions
- Preparing regulatory packages
- Drafting legislative proposals
- Creating publications
- Drafting contract proposals

This position also conducted research and worked on the goals and objectives outlined in the DOF mandated LATC strategic plan.

This reduction has had a measurable impact on the day-to-day core operations of the LATC. Statistics show a growth in the number of pending enforcement cases from 11 in June 2003 to 25 as of February 2004, a 127% increase in complaints. Again, staff must provide intensive training for the new employee while attempting to process complaints as well as keep up with their own respective duties. This reduction has caused delays in the LATC's ability to publish its quarterly newsletter, draft Activities and Accomplishments Reports, update the Landscape Architects Practice Act and revise the LATC Web site in compliance with the state portal requirements. Staff has had to work overtime and some projects have been delayed.

Additionally, the reduction has greatly impacted the LATC's ability to continue its outreach efforts with local public agencies, as well as the educational institutions.

Committee Members: By holding its meetings only at the office of the California Architects Board, the LATC's outreach to students is greatly minimized. The Council of Landscape Architectural Registration Boards (CLARB) has recently changed its examination format and has suggested other methods to qualify for the exam which is in direct conflict with California law and very confusing to the students. Holding meetings at the educational institutions provides a mechanism for outreach directly with the students to answer questions and promote the benefits of licensure. Additionally, holding meetings throughout the state provides an avenue for licensees, members of the public and local public agencies to attend meetings, to learn more about the responsibilities of the LATC, the profession, changes in laws/regulations and the examination, etc. Additionally, the LATC has held two meetings via telephone conference calls. This process is difficult and less efficient and effective. The telephone connections do not always provide for clear audible sound, participants have been disconnected or unable to connect. During a meeting a Committee member or participant may request materials/documentation that are available only at the LATC office or a facility that can accept faxes. Communication is greatly impeded by not having all participants in the same room.

Exam Proctors: The LATC has limited the number of proctors at exam sites and staff are absorbing the duties of proctors at the exam sites. This is an increase in cost as proctors are paid an hourly fee and per diem. Staff is paid their salary, benefits, per diem for those traveling to southern California exam site, and overtime. Additionally, this new responsibility takes staff out of the office away from their normal core duties, which in turn creates a backlog within the office.

Department Director Approval: Doug E. MacKay

Date: 3.3.04

Agency Secretary Approval: Fred Aguilar

Date: 3-11-04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1110/1140

Department: Consumer Affairs - Athletic Commission

How was reduction implemented?

Lay off of 1 occupied PY.

What was the actual effect of this reduction?

The commission is now down to a four person staff in the Sacramento Office. The duties of this position have been divided amongst the remaining staff which increases the length of time to complete tasks and process documents.

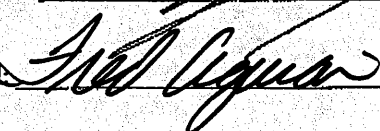
Department Director Approval:



Date:

3-3-04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1110/1165

Department: Consumer Affairs – Board of Barbering and Cosmetology

How was reduction implemented?

The Board of Barbering and Cosmetology is responsible for:

- Administration of a two-part examination to prospective barbers, cosmetologists, estheticians, manicurists, electrologists, and barber and cosmetology instructors to ensure they possess the knowledge and skills necessary to protect the public's health and safety.
- Issuing licenses to applicants who meet the minimum education, experience and examination requirements for barbers, cosmetologists, electrologists, estheticians, manicurists and barbering and cosmetology instructors.
- Investigating complaints involving gross negligence and incompetence, unlicensed activities, misrepresentation or false advertising of services and unsanitary conditions in salons, barber shops and schools. The Board works with the State Attorney General's Office in taking disciplinary action when appropriate.
- Inspection of salons, barber shops and schools in California to ensure licensees are in compliance with the Board's rules and regulations. Where health and safety violations are discovered, inspectors issue citations and fines.

To accomplish the required reductions, the Board eliminated critical vacant positions in its Licensing, Examinations, Enforcement, Inspections and Support components. In addition, the Board eliminated all of its budgeted Temporary Help by furloughing students and other temporary help personnel, reducing 18 % of its budget for expert examiners, and eliminating all of its budgeted Overtime. Total savings amount to five permanent positions, four Temporary Help, and \$470,774.

What was the actual effect of this reduction?

ENFORCEMENT (2 positions)

- Staff Services Analyst (5157) – This position processed enforcement cases. The loss of this position caused increased negligence and consumer harm by limiting the processing of cases.
- Inspector I (8834) – Due to the loss of this position, statutorily mandated inspections of establishments have not been performed. Consumer harm is a result as well as unfair business practices.

LICENSING (2 positions, 4 blanket positions):

- Office Technician (1139) - Elimination of this position has impacted the timely processing of examination applications and records request. Currently, there is a one-year backlog in processing records requests and a 6-month backlog in processing examinations applications.
- Senior Account Clerk (1730) – The loss of this position caused delays in processing the high volume of application fees, renewals, and fines. Currently, there is a one-month backlog in processing these fees.
- Temporary Help (907) – The elimination of 1.2 temporary help positions reduced the Board's ability to answer and respond to phone inquiries, processing of daily mail, and processing applications and license renewals.
- Expert Examiners – Elimination of 2.8 expert examiner positions resulted in the reduction in the number of examinations offered, and caused an increased wait time of 4-6 months for applicants wishing to become licensed.

Support (1 position):

- Staff Services Analyst (5157) – This position would have provided assistance and support for Board meeting preparation, including research and development of board program and policy issue papers and other analytical and support tasks required to support the newly established Board. Other staff must be assigned to assist in board meeting preparation which adversely affects the workload in the Board's Enforcement, Inspections, Examinations and Licensing Sections.

Cindy Walton, Deputy Executive Officer 3/5/04

Department Director Approval: _____

Date: _____

Agency Secretary Approval: *Fred Aguilar*

Date: *3-11-04*

Control Section 4.10
Reductions By Program

Org. Code: ^{1110/}1170

Department: Department of Consumer Affairs (Board of Behavioral Sciences)

How was reduction implemented?

The Board implemented the reduction primarily by eliminating 1.5 positions. Fortunately, these positions were vacant which eliminated the need for layoffs by the Board. In addition, the Administrative Analyst position was reduced to a 4/5-time base thus eliminating .2 of a position.

What was the actual effect of this reduction?

Enforcement Analyst – The elimination of this position coincided with the reduction in disciplinary actions and has not subsequently resulted in delays at this time.

Exam Analyst – The elimination of the oral exam has lessened the impact of this position elimination.

Administrative Analyst – The reduction in time base for this position has resulted in a delay in processing Board regulations.

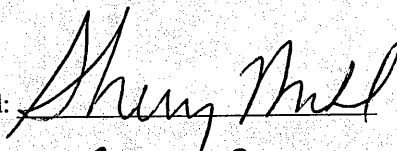
Proctors – The Board has eliminated the Oral Exam and proctors are no longer needed.

Temp Help – Fewer temp employees have resulted in a reduction in clerical support (i.e. filing, phone back-up) and this also causes a delay in the processing of licensing applications, as well as support for other programs.

Overtime – In the past the Board's budget analyst has used overtime when working on large fiscal projects. The reduction of this line has eliminated this option thus resulting in a delay in completing projects with large fiscal components.

Board Members – The reduction of this line has resulted in the Board reducing the number of Committee meetings. In addition, there is a resulting delay in getting items placed on the agenda.

Department Director Approval:



Date:

2-26-04

Agency Secretary Approval:



Date:

3-11-04

BL 04-03
Attachment I

Control Section 4.10 Reductions By Program

1110/
Org. Code: 1230**Department: Contractors State License Board**

The Contractors State License Board is the California consumer protection agency charged with licensing the 280,000 construction contractors who work in the state, handling consumer complaints and enforcing state laws pertaining to contractors. The Board's mission is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction. The construction industry is the largest in the state, employing 800,000 California workers, with over \$52 billion in private building construction activity in 2003.

How was reduction implemented?

Pursuant to BL 02-23, the Board was required to develop a plan to reduce its salaries and wages budget by 12%. In response, the Board prepared a plan that eliminated all vacant positions (46) and more than \$2 million in appropriations. (In the last two years, CSLB's appropriations have decreased \$5.5 million and the Board has lost 87.5 PYs).

What was the actual effect of this reduction?

As a result of the timing of the state's hiring freeze and subsequent loss of vacant positions (BL 03-23), CSLB experienced a significant increase in backlogs in various units, requiring the Board to reduce service levels and redirect resources accordingly. The Board has directed staff to take action to ensure that existing businesses were not adversely affected and resources have focused on keeping existing licensees in business.

Licensing

Prior to the October 2001 hiring freeze, The Board had an established goal of 1) evaluating an application within 3 weeks, and 2) having a candidate sitting for an exam 3 weeks after that. Subsequent to the loss of positions and budget authority, the weeks to process an application increased to as long as 30 weeks (excluding testing). Presently, it takes up to 9 weeks to evaluate an application and up to 17 weeks to sit for an exam. The applications for contractors who are restructuring their businesses to corporations and partnerships are more complex and are taking up to 16 weeks to process. (The historical norm for all applications has been to process them within a three week period).

To address the backlogs in licensing:

- Call Center staff was redirected to help with license application processing.
- Call Center hours were reduced.
- The e-mail correspondence unit was eliminated.
- The general phone number was disconnected, redirecting all callers to the 800 number automated voice response system.

During FY 02/03 Call Center technicians answered 165,277 phone calls from contractors and consumers. As a result of the above mentioned redirection of staff and reduced hours of operation, the number of calls answered by the Licensing Call center staff for the first six months of FY 03/04 stands at 27,125, representing well over a 65% reduction in the FY 02/03 service levels.

Due to the budget cuts, the Board's Long Beach testing center had to be closed, which has contributed to excessive delays in getting candidates scheduled for examinations in Southern California. The CSLB's goal for scheduling examinations is 21 days. Presently, the average waiting time for a test date is 63 days.

Administration

The lack of resources, both in terms of spending authority and staff, has had the following effects on Enforcement:

- The number of cases being formally investigated has been decreased, as complaints are being directed to small claims court, private arbitration resolution, and alternative dispute programs (BBB).
- The number of cases being referred to the Attorney General for prosecution has been decreased, and fewer contractors are being disciplined.
- Bay Area complaints have been screened and are being referred to Southern California as the number of Bay Area investigators has been reduced by 50% since 2001. CSLB may close its Oakland Investigative Center, leaving it with one after once having four centers in the Bay Area.
- The number of investigators in the statewide investigative fraud team (SWIFT) has decreased from 40 to 25, resulting in more underground economy activity, and less enforcement of unlicensed activity and workers compensation fraud.
- The Board has ceased investigating complaints (1) originating from new home purchase agreements after 01/01/03, (2) referred from federal, state, or local agencies, and (3) originating from insurance claims.
- Fewer applications are being investigated, resulting in some people getting licensed who should not be.

Regulation

The loss of administrative staff positions has resulted in a decrease in the level of services provided to internal clients. The workload of these positions had to be redistributed among existing staff, or discontinued. The loss of the BSA position impacted the timely processing of travel claims, invoices, purchase request, etc. The availability of staff to response to technical IT support has diminished resulting in a loss of productivity. The IT unit has also eliminated support for some software packages and hardware devices and discontinued site visits which provided preventive support.

Effect on Construction Industry

Delays in licensing and test administration are adversely affecting the construction industry by creating:

- Delays in getting projects started.
- Workers getting laid off or not being able to be hired.
- Loss of revenue for applicants, contractors and their employees and lost tax revenues to the State.
- Adverse effects to the economy due to delays in getting homes, businesses and infrastructure built.
- Unfair competition from increased numbers of unlicensed and unscrupulous contractors.
- Building permits denied due to delays in processing of license maintenance documents (renewals, workers' compensation certificates, etc.)

Effect on Consumers and Public

Generally, the public is seeing scaled back services as the Board prioritizes diminished resources. There will be the likelihood of increased elder abuse, increased unlicensed activity, and increased financial harm to consumers.

Board
Department Director Approval: Cheryl Maudslayi Date: 3/8/04

Agency Secretary Approval: Fred Aguilar Date: 3-11-04

BL 04-03
Attachment IControl Section 4.10
Reductions By ProgramOrg. Code: 1110/1250Department: Consumer Affairs/Committee on Dental Auxiliaries (1250)

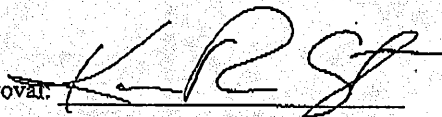
How was reduction implemented?

Meetings of COMDA's RDA Examination Subcommittee, RDH Examination Subcommittee, EF Examination Subcommittee and RDA Written Test Examination Subcommittee were cancelled. The RDA practical examination was given every three months instead of every 2 months.

What was the actual effect of this reduction?

The subcommittees were not able to meet and deliberate on policy recommendations to COMDA to assure that the examinations remained valid, fair, and efficient. Applicants for the RDA practical examination were not able to apply for the examination as often as in prior years.

Department Director Approval:



Date:

3/5/04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10
Reductions by Program

Org. Code: 1110 / 1250

Department: Consumer Affairs/Dental Board of California (1250)

How was reduction implemented?

1-Dental Consultant-Incumbent Retired Position abolished
2-Investigator-Vacancies-Positions abolished
1-Office Assistant-Incumbent separated-Position abolished
Total 4.0 Positions

What was the actual effect of this reduction?

The reduction in the enforcement program workforce (all 4 positions) has resulted in the Board not being able to meet it's stated goals to complete complaint processing and investigative services. For example, it is currently taking an average of 120 days to process complaints, as opposed to 90 days. Investigations are taking an average of 259 days instead of the stated goal of 180 days. Additionally, office inspections related to violations of the infection control regulations, if not addressed within a specified time period, may result in potential harm to the public.

The aging of complaints and investigations has hampered the Board's ability to take meaningful discipline against a licensee. If a complaint is not acted upon by the Board in a timely manner, violations of substandard dental care, sexual misconduct, drug abuse and/or unlicensed practice may go uninvestigated, thereby causing potential for serious public harm.

Department Director Approval:

Date: 3-5-06

Agency Secretary Approval:

Date:

3-11-04

BL 04-03
Attachment IControl Section 4.10
Reductions By ProgramOrg. Code: 1110/1340Department: Consumer Affairs/ Board for Geologists and Geophysicists

How was reduction implemented?

Elimination of the Staff Services Analyst (SSA) position, which was purportedly dedicated to enforcement activities of the Board thus bringing total Board staffing to 3.2 Person Year (PYs). This is down from an authorized 11.0 PYs of five years ago.

What was the actual effect of this reduction?

The Board is critically understaffed and unable to adequately perform even its basic legislatively mandated functions to protect the human health and the Environment and to provide a pool of qualified professional for the public. The SSA position was to help prepare of citations for the Enforcement Manager (e.g., drafting briefs used to support the Board's cases at the Attorney General's office, responding to the Public Record Act requests, etc.) and basic administrative tasks such as answering the Board telephone. This position also wrote the Board's newsletters and posted/maintained the Board's website. The Boards state of drastically reduced capability to function will continue at least through the rest of the fiscal year; the functionally remaining 2 PYs working to achieve the Boards mandates after having been more than decimated by the Executive Officer taking a position with the California Performance Review (CPR) in late February 2004.

Eliminating this position has further resulted in having the above-referenced functions absorbed by the remaining existing, already overburdened Enforcement Manager and/or in the reduction or elimination of these functions altogether. The Enforcement Manager also now functions as the Acting Executive Officer for the Board. The drastic staffing reduction effects have included a six-month to one-year increase in processing enforcement cases, multiple hour to day response times for the wide-variety of telephone and e-mail inquiries to the Board staff while the Enforcement Manager performs and is responsible for the administrative, managerial and enforcement activities of the Board. The Board has also been forced to maintain a once a year exam schedule, while eliminating overtime for staff. This reduction has severely handicapped the ability of the Board to conduct its basic functions while requiring the existing Enforcement Manager to continue to work out of class and fill multiple PYs in order for the Board to attempt to achieve its basic protective mandates and certify/provide licenses professional to generate jobs to contribute to growth in the economy.

Department Director Approval:

 (Acting)Date: 3/9/04

Agency Secretary Approval:

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1110/1350

Department: Guide Dog Board


How was reduction implemented?

The Guide Dog Board had 1.5 persons, the Executive Officer (1.0) and a staff person (.5) to do clerical duties.

The reduction was made to 1.3 persons.

What was the actual effect of this reduction?

The staff person now is available one day a week instead of two and the Executive Officer does some of the clerical duties or the filing gets behind.


HARRY L. THOMAS, E.O.

Department Director Approval: _____

Date: _____

Agency Secretary Approval: Datt Reid for Fred Agnew

Date: 3/11/04

Control Section 4.10
Reductions By Program

Org. Code: 1110/1390

Department: Consumer Affairs/Medical Board of California/Registered Dispensing Optician Program

How was reduction implemented?

MEDICAL BOARD OF CALIFORNIA:

2,136,546

Reporting Unit: Enforcement: 24.8 positions reduced

Investigator Assistant – 2 positions

Investigator/Senior Investigator – 15 positions

Supervising Investigator I – 3 positions

Supervising Investigator II – 1 position

Office Technician – 2 positions

Temp Help – 1.8 positions

Reduction of Overtime

Reduction of Per Diem

Reporting Unit: Licensing: 2 positions reduced

Office Technician – 2 positions

Reduction of Overtime

Reduction of Temp Help

Reduction of Per Diem

Reporting Unit: Support: 3 positions reduced

Office Technician – 1 position

CEA (Medical Director) – 1 position

Associate Programmer Analyst – 1 position

Reduction of Overtime

Reduction of Temp Help

REGISTERED DISPENSING OPTICIANS: .1 position reduced

5,081

Staff Services Analyst - .1 position

TOTAL Reduction 1110/1390 = 2,141,627

What was the actual effect of this reduction?

Reporting Unit: Enforcement

Abolishment of Investigator Assistant positions requires Investigators to divert their time and resources away from their peace officer duties. Investigator Assistants support investigators by obtaining records, serving legal documents, locating witnesses, and delivering cases to the expert reviewers.

Abolishment of Investigator/Senior Investigators has increased investigation completion time in excess of the mandated 180 days. As of January 31, 2004, 50.1% of cases exceed the 180 day mandate. Investigators and Senior Investigators conduct criminal and administrative investigations including sexual misconduct, narcotics violations, wrongful death, gross negligence, conviction of a crime, fraud, mental illness and unlicensed practice.

Abolishment of the Supervising Investigator I positions has resulted in an absence of direct supervision of field investigators. These positions manage all staff in the office, which typically consists of 6 investigators, 1 investigator assistant, 1-2 clerical support and 1-2 Medical Consultants.

Abolishment of the Supervising Investigator II position has required direct program supervising and management from the Deputy Chief, Office of Standards and Training. The Supervising Investigator II manages 3 offices.

Abolishment of two Office Technicians leaves only one clerical position to support the needs of two district offices, each comprised of 6 investigators, 1 investigator assistant, a supervisor and a medical consultant. As a result, clerical support duties must fall to the investigator or investigator assistant, thereby diverting resources from public protection duties.

Reduction of temp help by 1.8 positions has reduced the number of available hours for Permanent-Intermittent Medical Consultants who perform case review. This has caused time delays in the processing of active investigations. Currently over 50% of cases exceed the 180 day investigation completion mandate.

Reduction of overtime has prevented the Board from being able to pay employees for time spent processing healthcare consumer complaints/investigations during peak workload periods.

Reduction of per diem has decreased the funding available to pay board members for their time spent conducting board business.

Reporting Unit: Licensing

Abolishment of two Office Technicians has reduced the workforce and hours of operation within the Board's Consumer Information Unit. This unit is responsible for processing license verification letters, letters of good standing and responding to telephone inquiries from the public, organizations, and licensees.

Reduction of overtime has curtailed the Board's ability to process licensing applications during peak workload periods. Without adequate overtime funding, the board cannot pay employees for time worked.

Reduction of per diem has decreased the funding available to pay board members for their time spent conducting board business.

Reporting Unit: Support

Abolishment of the CEA (Medical Director) has eliminated the highest level of medical policy support to the 21 member Medical Board as well as the highest level of health policy research to the Board's Executive Staff, licensees, and consumers.

Abolishment of an Associate Programmer Analyst position has reduced in-house programming and technical support to staff and the expertise necessary for the continued development and maintenance of "stand alone" database systems critical to mandated board functions.

Executive Officer Approval:

Jehadriwt

Date:

3/2/04

Agency Secretary Approval:

Fred Aguilar

Date:

3-11-04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1110/1400

Department: ACUPUNCTURE BOARD

How was reduction implemented?

The reduction was implemented by not filling our vacant Office Assistant (OA) position and seasonal staff was laid off.

What was the actual effect of this reduction?

Civil Service Positions (by program):

Licensing/Exam:

The position eliminated was an Office Assistant / Chinese bilingual position targeted for the licensing and examination program. In addition to routine clerical/technical tasks, the primary duties of this position was Chinese translator and included responsibility for the processing and evaluation of all Chinese foreign equivalency examination applications. Without the position, remaining staff does not have the expertise to review and validate foreign credentials, therefore, the Board has no alternative but to require applicants with foreign documents to seek the service of a foreign credential evaluation service. In addition to the above, the Chinese language needs of the public, examination applicants and licensees is not being met and other essential clerical duties are becoming backlogged.

Reducing Board Member funding results in fewer meetings to conduct business and inability to perform related duties, such as school site visits.

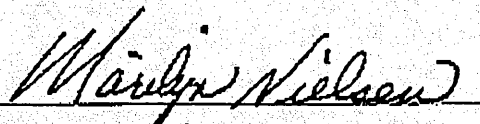
Blanket:

Overtime has been used to alleviate the backlog of work. Without overtime the backlog of work will only increase.

Seasonal staff provide clerical support in helping with mail, phones, copying, filing, etc. One seasonal also assisted with the Chinese language needs of the public and was responsible for the processing and evaluation of all Chinese foreign equivalency examination applications. The duties of this seasonal were to be assigned to the new OA / Chinese bilingual position, however, that position was also eliminated. The loss of the seasonal staff has severely impacted the Board by having to redirect their essential clerical tasks (i.e., opening mail, filing, etc.) to the analytical staff as the support/clerical staff were not in a position to assume any other duties. The redirection of these essential tasks to the analytical staff has had a significant impact on the performance of their normal duties. In addition, the loss of our Chinese bilingual seasonal has impacted the Board by our inability to address the Chinese language needs of the public, licensees, and examination applicants.

The specific duties associated with the proctor (development and translation) would have to be redirected or contracted out.

Board Executive Officer



Date _____

Department Director Approval: _____

Date: _____

Agency Secretary Approval: _____

Date: 3-11-04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1420

Department: - Consumer Affairs, Physical Therapy Board of California

How was reduction implemented?

A vacant position was not filled.

What was the actual effect of this reduction?

There is a delay in responding to inquiries from the public and the processing of applications for licensure.

Department Director Approval:



Date: 3/7/04

Agency Secretary Approval:



Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: ⁴³⁰1110 – Physician Assistant Committee

Department: Consumer Affairs

How was reduction implemented?

The reduction was implemented by cutting a licensing position by .1. Additionally, both overtime money and committee members' per diem were eliminated.

What was the actual effect of this reduction?

The actual effect of these reductions is that license application processing times may increase and a backlog of licensing applications may occur. With two new California physician assistant training programs opening in the past year (bringing the total to 10), there will be an increase in the number of applicants applying for licensure. With the licensing position limited to only .5 (instead of the .6 it was prior to the reduction) and no overtime money to pay for work beyond the normal work day, it is possible that application processing times may increase and a backlog may occur.

Additionally, with no staff overtime, presentations by PAC staff to PA students informing them about the application process and laws and regulations have been eliminated. As a result, staff has noticed an increase in the number of telephone calls from applicants about the application process. Answering these calls takes the licensing technician away from the time needed to process licensing applications.

With the elimination of overtime, PAC staff is also not able to continue presentations to PA students about how PAs can keep from getting into trouble with the Physician Assistant Committee and putting their license in jeopardy.

With the elimination of member per diem, committee members are now donating their time for committee meetings and will not get compensated for attending meetings and required orientation training.

Department Director Approval:

Richard P. Wallenda

Date: 3/2/04

Agency Secretary Approval:

Fred Aguero

Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1110/1440

Department: Consumer Affairs – Board of Podiatric Medicine

How was reduction implemented?

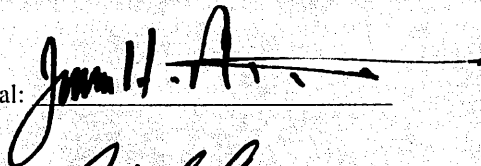
The Board's only Office Technician position, which constituted 100% of its clerical staffing, was abolished pursuant to Control Section 4.10 personnel reductions.

What was the actual effect of this reduction?

The impact of losing the Board of Podiatric Medicine's only clerical position, a 25% reduction in BPM's civil service staff, has been severe. The Board's Licensing Coordinator and Enforcement Coordinator not only lost critical program support, but their time was also absorbed with strictly clerical chores, as there was no one else left to perform them. Lacking a minimum critical mass of staffing, agency efficiency steadily declined over the two-year period even as key functions were suspended. Continuing Medical Education (CME) audits, Internet posting of cases referred to the Attorney General and the Citation & Fine program were shut down indefinitely. These repercussions impact public protection, raise working out of class issues, and in the case of CME audits run counter to mandates from the Joint Legislative Sunset Review Committee (JLSRC).

Prior to the abolishment of this position, the Board was long recognized for functioning efficiently and effectively with minimum staffing. It is clear that key Board programs cannot be maintained if it is left without at least one clerical position for an extended period of time.

Department Director Approval:



Date:

3-2-04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1110/
1450

Department: Consumer Affairs - Board of Psychology

How was reduction implemented?

ENFORCEMENT – A 0.3 Consumer Assistant Technician (1109) position was eliminated from the Enforcement Unit.

LICENSING – A 0.8 Staff Services Analyst (5157) position was eliminated from the Licensing Unit.

TEMP HELP (Funding) – All temp help funding was eliminated.

OVERTIME (Funding) – All paid overtime was eliminated.

BOARD MEMBERS – Board member funding was reduced by \$31,836.

EXAM PROCTORS - Exam Proctor funding was eliminated.

What was the actual effect of this reduction?

ENFORCEMENT - This adversely impacts the workload in the Enforcement Unit as this position inputs complaints in to the database and answers the toll free consumer complaint line.

LICENSING - This adversely impacts the workload in the licensing unit and could cause a delay in applicants receiving their license due to the high volume of applications received. Further, one of the three licensing analysis will begin a one year maternity leave on April 1, 2004. Without a temp help budget or an overtime budget, the evaluation of licensing applications will become backlogged and extend the time it takes a qualified person to become licensed.

TEMP HELP (Funding) – When the board received a request/inquiry from the Legislature, DCA, etc., the student assistants would handle the request and research/provide information requested. They also provided backup to licensing and enforcement staff and assisted with special projects. Currently, three staff persons are on or about to be on maternity leave - one-quarter of the board's staff. Additionally, one licensing analyst is often out on FMLA. Temp help would have been utilized to avert the impact of this personnel crisis had the funding not been removed and had the hiring freeze not prevented the hiring of temp help.

OVERTIME (Funding) - This could adversely affect staff attendance at board meetings as well as their ability to meet workload/deadline goals in peak periods of enforcement and licensing activities.

BOARD MEMBERS – Board members will be required to spend less time tending to board causes.

EXAM PROCTOR – There is no impact as the board no longer utilizes exam proctors with the 2001 elimination of the oral examination.

Executive Officer Approval: Thomas O'Connell Date: 3/3/04

Department Director Approval: _____ Date: _____

Agency Secretary Approval: Fred Agius Date: 3-11-04

Control Section 4.10
Reductions by Program

Org. Code: 1110/1455

Department: Department of Consumer Affairs/Respiratory Care Board of California

How was reduction implemented?

The Respiratory Care Board implemented its personal services reduction plan by eliminating temporary help, not filling the Office Technician position dedicated to the Administration Unit when it was vacated in July, 2003, and by permanently reducing the time base of an Enforcement Unit position.

What was the actual effect of this reduction?

The required elimination of temporary help has resulted in a substantial impact on the workload of the Licensing Unit and its ability to provide service to the public. As a result, processes continue to be reevaluated, resources and services available on-line are being promoted (i.e. on-line license verification), and minimal overtime (compensated with accruing time-off) is performed to address and accommodate workload.

The elimination of the full-time position within the Administration Unit prompted a review of processes within the unit to prioritize and streamline existing functions. Those tasks identified as lower priority have been suspended until adequate resources become available. Occasionally, minimal overtime (compensated with accruing time-off) is performed to accommodate workload increases associated with higher priority issues during peak periods.

The reduction in time base of the Enforcement Unit's Associate Governmental Program Analyst did not pose a significant impact since the employee was already working a reduced schedule.

At its November meeting, the overall effect of mandatory staffing and budgetary reductions compelled the RCB to establish a list of its highest priorities to be accomplished in light of reduced resources.

Department Director Approval:



Date:

3/2/04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1110/1460

Department: **Speech-Language Pathology and Audiology Board**

How was reduction implemented?

The overall reduction in appropriation to the Board's budget, of \$31,183 was implemented by reducing personal services dollars in the following line items: The Board's authorized associate governmental program analyst (AGPA) position was reduced by .25 of a position (reduction of \$13,011), therefore the AGPA's work schedule has been reduced to a $\frac{3}{4}$ time base (30 hours per week).

The blanket line item for board member travel and per diem was reduced by \$8,585. As such the Board is scheduling only quarterly meetings, will not hold special task force meetings, and is restricting board member travel.

The temporary help budget was eliminated, resulting in a reduction of \$5,554. As such the Board has curtailed its use of temporary help.

What was the actual effect of this reduction?

The Board staffs only one senior analyst at the AGPA level. Although the AGPA's primary responsibility is to manage the Board's enforcement program, the staff person is also responsible for preparing regulatory and legislative proposals, monitoring the Board's budget, and serving as the lead when the executive officer is out of the office. Since the Board has experienced an increase in complaint and enforcement activity over the past two years, the AGPA must devote the majority of the 30 hour work week to monitoring and processing complaints. Even with this focus on the enforcement program, the Board's complaint processing timelines have been negatively impacted. As a result of the reduction to the AGPA position authority and work schedule, the Board's regulatory proposals and legislative activities have been delayed. If scope of practice provisions remain out-dated or undefined, licensees and consumers are ultimately affected. The reduction has also impaired the EO's ability to tend to business away from the office during the hours that the AGPA is not working.

By reducing the board member appropriation, the Board is avoiding holding any special task force meetings, work group sessions, or regulatory hearings that require board member travel. This means that all complex practice issues, strategic planning sessions, and the development of regulatory proposals must occur at the quarterly Board meetings which can cause delays in responding to current practice issues.

Since the Board no longer has a temporary help budget, the Board has had to drastically curtail its use of temporary help. The Board can not maintain its current operation without the assistance of temporary help. The temporary help assists with fundamental licensing and administrative operations such as responding to requests for application materials, address changes, and providing essential filing and forms management assistance. With a small staff of four civil service employees (3 full-time & 1 three-quarters time) and one executive officer, the Board's current staffing level is not sufficient to meet all of the Board's licensing and enforcement processing timelines.

Executive Officer: *Charmaine Del Mague*

Date: *3/3/04*

Department Director Approval: _____

Date: _____

Agency Secretary Approval: *Fred Aguer*

Date: *3-11-04*

Control Section 4.10
Reductions By Program

Org. Code: ~~3017~~ 1110/1475
Department: Consumer Affairs
California Board of Occupational Therapy

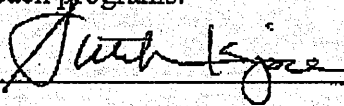
How was the reduction implemented?

The California Board of Occupational Therapy's achieved the requisite reduction by abolishing one of its two Program Technician positions, leaving the Board staffed with only five people. The other program technician was responsible for the licensing unit.

What was the actual effect of this reduction?

Abolishment of this position significantly impacted the licensing unit. The remaining program technician was unable to keep up with the daily workload of opening the mail, matching correspondence, creating license files, reviewing applications, requesting additional information when needed, issuing licenses, processing renewals, address and name changes, and handling the 200+ telephone and email inquiries received daily. Consequently, the Board's associate governmental program analyst, staff analyst, and office technician began assisting in these critical tasks, which has impacted their own workload. Both of the analysts are now working overtime to keep up with the increasing licensing and enforcement demands.

To further complicate matters, the program technician left on maternity leave effective February 26, 2004, and she intends to be gone for one year. The Board has been unable to fill her position because there are no program technicians on the SROA list and no qualified office assistant has applied for the position. The program technician job duties are being performed (out-of-class) by the three remaining staff. The ultimate results will be, among other things, backlogs in licensing and enforcement, delays in developing regulations needed to implement the relatively new licensing law, and postponement of consumer education and outreach programs.

Executive Officer Approval:  Date: 3/8/04

Agency Secretary Approval:  Date: 3-11-04

Control Section 4:10
Reductions By Program

Org. Code: 1110/1480

Department: Consumer Affairs – Optometry Board


How was reduction implemented?

The Board suspended the hiring of personnel in the licensing unit. In order to continue conducting Board business, many Board Members voluntarily forego their salary per diem. Examination administrations have been redirected to a national testing agency.

What was the actual effect of this reduction?


Insufficient staffing has caused an ongoing and increasing backlog in the licensing program. Board Members provide policy direction and act on disciplinary cases without receiving compensation in the form of salary per diem. The exam program is operating with minimal impact.

Department Director Approval:



Date: 3/3/04

Agency Secretary Approval:



Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1110/1485

Department: Osteopathic Medical Board of California

How was reduction implemented?

Reduction was implemented by reducing the scheduled board meetings from four to two in fiscal year 03-04. Additionally, temporary help and overtime pay were eliminated.

What was the actual effect of this reduction?

The public safety may be affected by reducing board meetings from four to two per fiscal year. Staff cannot be paid for mandatory overtime; therefore, comp time is accumulated. Staff currently have large vacation accrued and would prefer overtime pay.

No other serious problem with reduction.

J. G. Bergman

Department Director Approval: _____

Date: _____

Agency Secretary Approval: *J. M. Aguilar*

Date: *3-11-04*

CONTROL SECTION 4.10

Reductions by Program

Org. Code: 111011490
Department: **Consumer Affairs**
Agency: **Board of Pharmacy**

HOW WAS THE REDUCTION IMPLEMENTED?

- Reduction in positions - 6 vacancies eliminated*
- Budget line item reduction of \$11,000 in board member reimbursement
- Budget line item deletion of \$300 in staff overtime
-

*Prior to the mandated reductions, the board lost 4 positions due to hiring freeze restrictions.

WHAT WAS THE ACTUAL EFFECT OF THIS REDUCTION?

Although the board has achieved efficiencies through legislative and other means to modify programs, the board still has been severely affected by the loss of 10 staff positions (18 percent of staff). These impacts include:

- Delays in investigating complaints and inspecting licensed sites, which decreases the board's consumer protection activities.
- Delays in processing applications and discontinuance of status reports (via phone, letter or fax) to applicants on pending applications so staff only perform essential processing tasks. Certain of the board's 12 regulatory programs receive lesser priority for staffing, resulting in lengthy processing delays. No acknowledgement of application receipt, which when coupled with no status information, creates frustration to applicants. Overall result: frustrated applicants who cannot become licensed timely or correct their applications readily.
- Staff is unable to review and follow-up with cashiering exception reports. As a result, no follow-up on changes reported at license renewal regarding key information about site ownership, location, corporate officers and managing operators. Board license records are incorrect and unapproved ownership results. Future renewals may be affected because records are not correct resulting in unlicensed activity and lost revenue.
- Discontinuance of continuing education audits on CE required for pharmacist license renewal. Unable to assure pharmacists fulfill continuing education required to maintain minimal competency.
- Insufficient staff to provide customer service in the area of communications such as:
 - ✓ Responding to status requests regarding pending applications and renewals
 - ✓ Responding to application-related questions which further delays or complicates processing
 - ✓ Disconnecting the interactive feature on website eliminating fast inquiries and responses
 - ✓ Responding to public requests for information is delayed past legal timelines and correspondence from consumers and licensees goes unanswered.
 - ✓ Reducing the frequency and distribution of licensee information prepared by the board, resulting in law violations, misinformation and confusion, and increasing inquiries to the board (which go unanswered)

- ✓ Updating the board's Web site and consumer education materials is delayed or not performed.
- All staff must perform receptionist duties to provide coverage of telephones, distribution of mail and license verification.
 - Delays in the department's central cashiering creates added workload due to the volume of calls received each month because of delays in their processing of renewals -- again increasing workload to the board, and rendering licensees unable to work or operate because their license renewals have not been completed.
 - Implementation of a citation program without adequate staffing -- resulting in a substantial backlog in issuing citations, and delayed follow-up for payment or to secure licensee compliance.
 - Inability to inventory and destroy evidence (prescription drugs).
 - Insufficient staff to enforce provisions enacted to ensure the state's electronic monitoring of the distribution of controlled drugs in California. This is an important program aimed at preventing drug diversion.
 - Board lacks staff to report its disciplinary actions to the federally mandated Health Care Integrity Practitioner Data Base. As a result, other states will not learn of board actions to discipline licensees. This may also subject the board to fine.
 - Inability of staff to inspect licensed premises (an approximate total of 8,200 site licensees) once every three years.

OPPORTUNITIES FOR GREATER EFFICIENCIES AT REDUCED FUNDING LEVELS

- Provide technology for online renewal of licenses
- Enhanced computer system that would allow full integration of licensing, enforcement, application and cashiering processes.
- Improve Internet services of the board for applicants, licenses and the public to exchange information.

Executive Officer Approval:

P. J. Harris

Date:

3/2/04

Agency Secretary Approval:

Scott Reid for
Fred Agnew

Date:

3/11/04

BL 04-03
Attachment I**Control Section 4.10
Reductions By Program**

1110/1500

Org. Code: 07500

Department: Board for Professional Engineers and Land Surveyors

How was reduction implemented?

The Fiscal Year 2003-04 Control Section 4.10 required reductions were accomplished through the elimination of unused and/or vacant personal services authority for permanent civil service employees, temporary help, Board Member and Committee Member per diem.

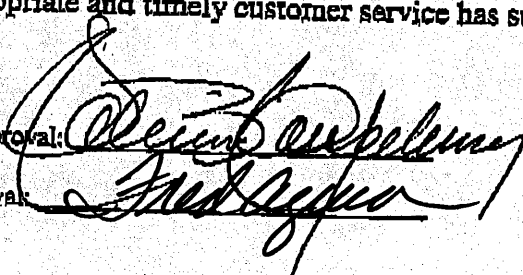
What was the actual effect of this reduction?

- Included in the Enforcement Program cuts was the Board's website analyst responsible for updating the website with disciplinary actions taken against the Board's licensees. The Board is mandated by the Business and Professions Code Section 27 to include this information on its website but has been unable to meet this requirement since FY 2001-02 due to the cut of this position.
- The Board was forced to cut the development and mail distribution of its Enforcement Bulletin in FY 2001-02, a responsibility also previously performed by the Board's website analyst. In FY 2002-03, the Board was able to send out only one Enforcement Bulletin. The Enforcement Bulletin provides information on licensees that have had licenses revoked and/or disciplinary actions taken against them. This information is valuable to city, county and local building code agencies. It also provides valuable information to licensees regarding changes to the Board's Engineering and Land Surveying regulations that may affect their business practices. The shift in this responsibility to other enforcement staff along with FY 2000-01 required Enforcement staff cuts, has contributed to an increase in the caseload backlog by another 157 cases. The number of enforcement cases now over a year old has also increased by 106 cases.
- Elimination of the unused position authority for the Board's part-time exam analysts and Senior Engineer Registrar positions could ultimately increase the number of lawsuits placed against the Board. In the event one of these staff were to require extended sick leave time or leave for any other reason, the Board has no excess time-base available to accommodate the daily responsibilities of the position. These exam positions are responsible for exam development contracts, coordination of exam development, psychometric exam analysis and completion of the Board's occupational analyses. The Board's inability to accommodate such a situation could delay an exam contract and possibly cause accrual of severe interest penalties as well as endanger the psychometric

validity of the Board's exams. In these instances, the Board could be subject to a lawsuit and increased legal expenses.

- The elimination of the Board's vacant receptionist and mail clerk positions shifted the workload of these positions to other Board staff. As a result, processing time for exam applications, address changes and licensee verifications has increased as well as the time to provide appropriate and timely customer service has substantially decreased.

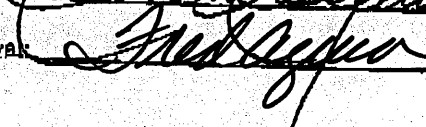
Department Director Approval:



Date:

3/8/04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1110/1510

Department: Department of Consumer Affairs/Board of Registered Nursing

How was reduction implemented?

The Board of Registered Nursing lost 8.7 positions due to Control Section 4.10, including 1 NEC, 1 AGPA, 2.7 SSAs, 1 MST, 2.5 OTs, and .5 OA. The approximately 9 positions were eliminated through attrition, medical disability, furlough of retired annuitants, and the inability to hire due to the existing hiring freeze. The Board has no vacant positions. All positions have been eliminated. (The Board also lost 6 positions in 2002/03 due to Control Section 31.6, for a total of 14.7 positions, or approximately 16% of staff.)

What was the actual effect of this reduction?

Licensing backlog. The Board has a backlog of 8 weeks in processing RN license applications, and more complex international cases are taking up to 3-4 months. The backlog includes over 4,000 pending RN applications as of March 1, 2004. The oldest pending application was received 4 months ago. Businesses that employ RNs rely on the Board to promptly license RNs in light of the critical California nursing shortage and the implementation of the nurse-to-patient ratios on January 1, 2004, that require hospitals to hire more nurses. An 8-week delay in licensing RNs has a statewide economic impact; it translates to a loss of approximately \$146 million in taxable wages annually for the State of California. (Based on an average of 1,620 RN licenses issued per month and average annual starting salary of \$45,000 for RNs.)

The Board licenses over 300,000 registered nurses who have a direct effect on the health and economy of Californians. Businesses that employ RNs rely on the Board to license RNs without bureaucratic delays. Businesses lose significant income when they cannot fully staff their facilities with RNs. Without sufficient numbers of RNs, hospitals must close wings and limit admissions because California law mandates nurse-to-patient ratios to ensure safe care.

Producing more RNs through new nursing school programs also becomes delayed and backlogged due to the loss of 3 of 10 Nursing Education Consultant positions. The Board regulates nursing education, and a new nursing school cannot open without Board review and evaluation. The Board currently has 12 Letters of Intent to open new programs pending review. California ranks 49th in the country for the number of RNs per population. Solutions to the nursing shortage are delayed without Nursing Consultant positions.

Enforcement backlog. Delays have occurred in enforcement and complaint handling, with 1,665 complaints against RNs pending at various stages of investigation or prosecution as of March 1, 2004. The oldest cases date back to over three years ago, which is unacceptable. Backlogs in intervening with RNs who have allegedly committed serious violations create severe public health risks as the RN in question continues to work. Violations by RNs include incompetence and gross negligence, theft and abuse of dangerous drugs, criminal violations, and other serious acts.

Reduced services. The Board has reduced numerous services due to position and budget reductions. Telephone hours for the licensing program have been reduced to 9:00 – 3:00, and Nursing Consultants only take telephone inquiries 3 days a week. The Board has reduced its Board Meetings from 5 times to 4 times per year, which delays enforcement actions. Also, the Board has suspended publication of its newsletter that provides practice alerts and other key information for RNs, and has suspended publication of its laws and regulations.

Other impacts. The Board is receiving an increased rate of complaints about slow processing times and lack of services. During fiscal year 2002/03, the Board loaned the General Fund \$12 million from its Special Fund, and the loan has not been repaid. Registered nurses are expressing great concern that the Special Fund, which consists strictly of fees that RNs have paid, has been tapped for the General Fund. Additionally, on July 1, 2003, the Board lost 6 positions due to Control Section 31.6. The loss of these positions, compounded with the loan to the General Fund and the additional 9 positions that were lost due to Control Section 4.10 has created a tremendous backlog at the Board.

Executive Officer Approval: *R. H. Post-Ten*

Date: 3-11-04

Department Director Approval: _____

Date: _____

Agency Secretary Approval: *And Aguirre*

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1110/1520

Department: Consumer Affairs/Court Reporters Board

How was reduction implemented?

REDUCTIONS:

Board Member Per Diem	\$ 4,290
Temporary Help (0.5 timebase reduction)	14,083
Examination Proctor (0.1 timebase reduction)	9,723
Overtime	<u>1,500</u>
TOTAL:	\$29,596

What was the actual effect of this reduction?

Board Members: Reduced the number of board meetings held during the year. Disciplinary cases awaiting final board action were delayed until the next scheduled meeting.

Temporary Help (0.5 timebase reduction): Reduced the number of school site inspections the board was able to conduct during the year.

Department Director Approval:

David E. Brown

Date: 3/1/04

Agency Secretary Approval:

Fred Aguilar

Date: 3-1-04

Control Section 4.10
Reductions By Program

Org. Code: ^{1110/}1530

Department: Consumer Affairs/Structural Pest Control Board

How was reduction implemented?

Six employees received SROA/Surplus notices. Two employees voluntarily left the Board. Two temporary help seasonals were furloughed on July 11, 2003.

What was the actual effect of this reduction?

Enforcement:

The Board will no longer be able to coordinate the activities of the Structural Pest Control Specialists in regards to the Board's statewide regulatory enforcement program. Therefore, cross cutting issues throughout California will not be recognized or coordinated. Investigative reports will not be reviewed for adherence to laws, rules, and regulation. The Board will no longer have an expert advisor to advise the Board on complex and unusual cases as they relate to possible criminal, administrative, or civil actions, or any coordination of the Board's citation and fine programs.

Board Members:

At the present time, with the composure of the Board Members, there should be only minor impact regarding this reduction. Current Board Members are aware of budget constraints and are managing to conduct business within those constraints.

Licensing:

Temp Help: Other essential needs of the Board address via temp help will not be completed, such as, the Board's Continuing Education Audit Program. This program requires randomly selected licensees to submit proof of continuing education hours. This process requires approximately three months to complete. Therefore, licensees could self-certify to continuing education requirements and not be randomly selected and required to submit proof of continuing education.

Registrar/Executive Officer Approval: *Kelli Okuma*

Date: 2-27-04

Department Director Approval: _____

Date: _____

Agency Secretary Approval: *Fred Vega*

Date: 3-11-04

Control Section 4.10 Reductions By Program

1110/1550
Org. Code: 9010

Department: Veterinary Medical Board

How was reduction implemented?

The control section 4.10 reduction was implemented by:

- eliminating 1.3 PY in temporary staff that previously assisted with many examination and enforcement functions,
- voluntary reduction by Board and committee members of per diem pay (\$100 a day) and reimbursement of expenses (some members are taking no reimbursement at all),
- reducing exam proctor usage,
- a reduction in retirement benefits associated with the loss of 1.3 positions
- eliminating the prosecution portion of the Board's enforcement program effective 1/1/04 due to the DoF restriction on access to the contingency funds to augment the line item for Attorney General costs (AG) and the mid year increase by the AG for its hourly rate effective April 1, 2004.
- Eliminating a critical strategic planning session scheduled for March 2004

What was the actual effect of this reduction?

The positive effect of the control section 4.10 reduction on the Veterinary Medical Board was an accelerated conversion of the state board examination for registered veterinary technicians from a paper and pencil examination to a computerized format. Converting to a computerized testing format in July 2003 eliminated some administrative tasks associated with the examination workload that helped to lessen the impact of the cuts. Letters of good standing were automated and the Board implemented an automated phone system.

The negative effect is that consumer services have been eliminated. The Board's interactive email from its web site was disabled and correspondence in response to such email was discontinued due to lack of staff available to respond to the large quantity of emails received. The Board's cashiering position was eliminated which necessitated a shift in staff resources to handle cashiering duties, resulting in continuing education audits being discontinued. At times, the office is forced to close early when unforeseen absences leave insufficient staff to keep the office open until five o'clock p.m.

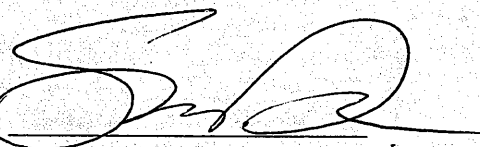
Because of the position reductions, all employees are now required to answer the main incoming phone lines on a rotating basis in addition to their regular duties. Answering the main phones during

the business day takes employees away from their regular duties and makes it difficult to return calls from consumers and licensees. This leads to a reduction in consumer services and a poor public relations image with the general public. In addition to the cashiering position, the Board lost its receptionist. The Board has attempted to utilize volunteer staff to assist with the main phone lines and this has helped some. However, answering the phones has increased the workload for all staff and results in interruptions, errors and workload processing delays.

The number of complaints received has increased over 53% in the past two years resulting in a workload increase. The workload increase combined with the staffing decrease results in increasing delays in complaint processing and other enforcement functions. Although the complaint processing times were decreasing and improving up until last year, they are now increasing.

The impact on enforcement is dramatic. Effective January 1, 2004, the Board is unable to prosecute any cases through the Office of the Attorney General due to a lack of funds and the restriction on access to the contingency fund and the mid year increase by the AG for its hourly rate effective April 1, 2004. Under positive economic conditions, the Board would have requested additional positions to manage the increase in workload and a deficiency to cover unforeseen costs related to two civil cases that are currently pending. However, due to the budget reductions this solution is not feasible.

Department Director Approval:



Date: March 4, 2004

Agency Secretary Approval:



Date: 3-11-04

BL 04-03
Attachment I**Control Section 4.10
Reductions by Program**Org. Code: 1110/1580Department: Consumer Affairs/Board of Vocational Nursing & Psychiatric Technicians
Vocational Nursing Program**1. How was reduction implemented?**

Program	#Permanent Positions Lost	#Temporary Help Positions Lost	Total# of Positions Lost	Total Amount of Funding Lost
VN Program	1.0	3.7	4.7	\$171,971*
* A 17% reduction in staff. Savings to the General Fund was zero.				

To implement the Personal Services Reduction Plan, the Vocational Nursing (VN) Program furloughed all of its temporary help staff (i.e., seasonal employee, student assistant and examination proctors) and its total expenditure authority for these positions. The VN Program zeroed out its paid overtime authority and reduced the number of board meetings from 5 to 3 annually, thereby reducing board member salaries as well. In addition, the VN Program eliminated one "permanent" staff position (i.e., Nursing Education Consultant). The reduction required the VN Program to lose 4.7 positions totaling \$171,971.

On July 11, 2003, the Board furloughed all temporary help staff (i.e., 1 seasonal employee, 1 student assistant and 2 examination proctors). The permanent staff person (i.e., Nursing Education Consultant), issued a surplus employee notification, resigned effective September 12, 2003. Notwithstanding these losses, effective Fiscal Year (FY) 2002/03, the Board also lost one permanent Office Assistant position due to the state hiring freeze and a subsequent Executive Order effective June 30, 2003 that all vacant positions be abolished on that date. Therefore, the VN Program lost a total of six (6) positions which equated to a 17% reduction in staff (i.e., 6 out of 36 employees).

The VN Program is a special fund agency and derives all of its revenues from its applicants and licensees through the collection of examination and licensing fees. Consequently, the savings to the General Fund was zero as the mandated expenditure reductions had to be deposited back into the VN Program's special fund account.

2. What was the actual effect of this reduction?

The actual effect of the Personal Services Reduction is that major backlogs are developing in every job function within the VN Program and the backlogs are growing incrementally as each month passes. Every staff person in the VN Program is now performing multiple job functions.

For example, evaluators must now create file folders for applications, perform key data entry to create an applicant file on the Department of Consumer Affairs' Applicant Tracking System (ATS), match file records, process endorsement requests and complete their evaluations. Another staff person is now responsible for processing examination results, retake applications and continuing education audits. Yet another staff person is required to handle the post-licensure certifications in intravenous therapy and blood withdrawal, processing requests for approval of continuing education providers, processing the monthly 4-year expired license notifications and paying invoices. The VN Program's staff is totally overwhelmed by the amount of work that must be done on a daily basis and the fact that backlogs continue to grow in every job function.

The Board has instituted voluntary overtime [for compensating time off (CTO) only] and staff has worked a total of 130 CTO hours since July 1, 2003. The Board cannot require overtime, as staff is burnt out and the work-related stress levels are already too high. Additionally, due to the excessive workload requirements and backlog situation, many staff indicate they plan to transfer to another state agency when the hiring freeze is lifted on June 30, 2005. The negative impact to staff is also evidenced by the fact that since the reduction plan was implemented, two staff members, not targeted for layoff, have resigned on September 2, 2003 and March 5, 2004, respectively.

Notwithstanding the above staffing and backlog concerns, the VN Program is now in violation of its Permit Reform Act processing time periods. In 1991, the Permit Reform Act required state agencies to specify, in regulation, their processing time periods. Accordingly, the California Code of Regulations (CCR), Section 2508, specifies the "maximum period of time in which the VN Program will notify applicant in writing that the application is completed and accepted for filing or that the application is deficient and what specific information is required." The VN Program's permit processing time period for initial application review is 90 days. Prior to the reduction, the VN Program was able to process its initial applications within 3-4 weeks or about 30 days. The VN Program is now taking 102 days to perform initial application reviews and this processing period will increase to 180 days by July 1, 2004 with current staffing levels.

Moreover, the annual budget deficits facing the State of California and the reduction directives directly impact the VN Program's ability to protect California's frail and debilitated consumers from unsafe, incompetent and/or negligent practitioners. The VN Program's request for enforcement staff to address increased workload has been denied for the past four budget cycles. In September 2002, the VN Program reported to the Joint Legislative Sunset Review Committee that the number of enforcement complaints "pending" annually since FY 1998/99 had risen from 659 to 1,621 in FY 2001/02. Effective March 1, 2004, the number of enforcement cases pending is now 2,015 cases or a 206% increase (i.e., 659 cases pending in FY 1998/99 and 2,015 cases pending in FY 2003/04). As a result of the enormous workload increase and the lack of sufficient enforcement staff, severe backlogs have developed and case aging is occurring at every phase of the VN Program's enforcement process.

Additionally, Senate Bill (SB) 358 (Chapter 640, Statutes of 2003) became effective January 1, 2004. This new consumer protection law requires licensees and their employers to report to the Board the suspension or termination for cause of any licensee for patient abuse, drug/alcohol abuse, gross negligence and/or incompetence. The new law states that implementation of the

mandatory reporting requirements is "contingent upon the necessary funding in the annual Budget Act." On November 25, 2003, the VN Program's request for staff and funding to implement this new law was denied. As a result, implementation of this new consumer protection law is on hold pending approval of the necessary staff and funds.

In summary, the reduction in staff impacted the VN Program as follows:

- Loss of 17% of its total staff (i.e., 6 out of 36 employees).
- Substantial delays in processing initial application evaluations from 30 days to over 102 days. At current staffing levels, the processing time periods will increase to 180 days or 6 months by July 1, 2004.
- Violation of the Permit Reform Act which specifies that the VN Program must notify applicants of their eligibility status within 90 days of receipt of an application.
- Substantial backlogs in every job function within the VN Program.
- Negative work environment due to the stress of ongoing backlogs.
- Exacerbates the effects of the current nursing shortage as the ongoing backlogs delay evaluations, examinations and licensing efforts.
- Negative impact to California's economy as the ongoing backlogs prevent applicants from becoming licensed and working in their chosen profession.
- Negative impact to the public as the Board typically has 300-800 people attending its board meetings at any given time. The Board now only meets three times per year.
- Ongoing denial of enforcement staffing requests due to Executive Order to reduce statewide staffing levels. Insufficient staff critically impairs the VN Program's ability to protect California's frail and debilitated consumers from unsafe, incompetent and/or negligent practitioners. The VN Program's documented need for additional enforcement staff has been denied for the past four consecutive budget cycles due to the budget crisis facing the State General Fund. Without sufficient enforcement staff, the number of enforcement cases pending will continue to grow incrementally on an annual basis.
- The denial of the VN Program's budget request to fund SB 358 (Chapter 640, Statutes of 2003) has a direct impact on consumer safety. The new mandatory reporting law will reduce the number of incompetent or unsafe licensees that continue to practice after they are suspended or terminated for cause by one facility and immediately obtain employment at another facility (e.g., nurse registries, convalescent homes, etc.). Although the VN Program, as a special fund agency, had sufficient funds available to implement this critical consumer protection law, approval was not granted at this time. Patient harm and patient death could be reduced if the VN Program was granted the necessary funding to implement this new consumer protection law.

Executive Officer Approval:


Teresa Bello-Jones, Executive Officer

Date:

March 3, 2004

Department Director Approval:

Date:

Agency Secretary Approval:



Date:

3-11-04

(3/1/2004)

BL 04-03
Attachment IControl Section 4.10
Reductions by ProgramOrg. Code: 1110/1580Department: Consumer Affairs/Board of Vocational Nursing & Psychiatric Technicians
Psychiatric Technician Program**1. How was reduction implemented?**

Program	#Permanent Positions Lost	#Temporary Help Positions Lost	Total# of Positions Lost	Total Amount of Funding Lost
PT Program	0.5	0.5	1.0	\$44,152*
* A 32% reduction in staff. Savings to the General Fund was zero.				

To implement the Personal Services Reduction Plan, the Psychiatric Technician (PT) Program furloughed all of its temporary help staff and its expenditure authority for these positions. In addition, the PT Program eliminated 0.5 of an Office Technician position and reduced the number of board meetings from 5 to 3 annually, thereby reducing board member salaries as well. The reduction required the PT Program to lose the equivalent of 1.0 position totaling \$44,152.

On July 11, 2003, the Board furloughed all temporary help staff (i.e., 1 seasonal employee and 1 student assistant). The permanent staff person, issued a surplus employee notification to reduce the position's time base to half-time, resigned effective October 24, 2003. Therefore, the PT Program lost a total of 2.5 positions which equated to a 32% reduction in staff (i.e., 2.5 out of 7.8 employees).

The PT Program is a special fund agency and derives all of its revenues from its applicants and licensees through the collection of examination and licensing fees. Consequently, the savings to the General Fund was zero as the mandated expenditure reductions had to be deposited back into the PT Program's special fund account.

2. What was the actual effect of this reduction?

The actual effect of the Personal Services Reduction is that the PT Program now only has one half-time Office Technician position to perform all of its clerical/technical job functions. The other 4.8 positions are primarily assigned to the Enforcement Program (i.e., 1.0 Enforcement Manager, 1.0 Enforcement Analyst, 0.8 Enforcement Technician, 1.0 Automation Analyst and 1.0 Enforcement/Exam Development Consultant). The PT Program cannot meet its current daily workload requirements and backlogs are occurring in every job function. It is critical that the PT Program be able to handle its own workload requirements.

Moreover, the annual budget deficits facing the State of California and the reduction directives directly impact the PT Program's ability to protect California's vulnerable mentally disordered and developmentally disabled consumers from unsafe, incompetent and/or negligent practitioners. The PT Program's request for enforcement staff to address increased workload has been denied for the past four budget cycles. In September 2002, the PT Program reported to the Joint Legislative Sunset Review Committee that the number of enforcement complaints "pending" annually since FY 1998/99 had risen from 203 to 469 in FY 2001/02. Effective March 1, 2004, the number of enforcement cases pending is now 522 cases or a 157% increase (i.e., 203 cases pending in FY 1998/99 and 522 cases pending in FY 2003/04). As a result of the enormous workload increase and the lack of sufficient enforcement staff, severe backlogs have developed and case aging is occurring at every phase of the PT Program's enforcement process.

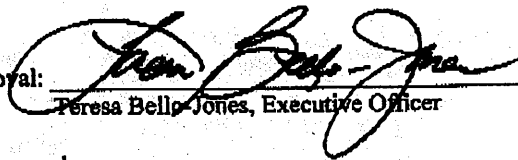
Additionally, Senate Bill (SB) 358 (Chapter 640, Statutes of 2003) became effective January 1, 2004. This new consumer protection law requires licensees and their employers to report to the Board the suspension or termination for cause of any licensee for patient abuse, drug/alcohol abuse, gross negligence and/or incompetence. The new law states that implementation of the mandatory reporting requirements is **"contingent upon the necessary funding in the annual Budget Act."** On November 25, 2003, the PT Program's request for staff and funding to implement this new law was denied. As a result, implementation of this new consumer protection law is on hold pending approval of the necessary staff and funds.

In summary, the reduction in staff impacted the PT Program as follows:

- Loss of 32% of its total staff (i.e., 2.5 out of 7.8 employees).
- Backlogs in every job function within the PT Program.
- Negative work environment due to the stress of ongoing backlogs.
- Exacerbates the effects of the current psychiatric technician shortage as the ongoing backlogs delay evaluations, examinations and licensing efforts.
- Negative impact to California's economy as the ongoing backlogs prevent applicants from becoming licensed and working in their chosen profession.
- Negative impact to the public as the Board typically has 300-800 people attending its board meetings at any given time. The Board now only meets three times per year.
- Ongoing denial of enforcement staffing requests due to Executive Order to reduce statewide staffing levels. Insufficient staff critically impairs the PT Program's ability to protect California's vulnerable mentally disordered and developmentally disabled consumers from unsafe, incompetent and/or negligent practitioners. The PT Program's documented need for additional enforcement staff has been denied for the past four consecutive budget cycles due to the budget crisis facing the State General Fund. Without sufficient enforcement staff, the number of enforcement cases pending will continue to grow incrementally on an annual basis.
- The denial of the PT Program's budget request to fund SB 358 (Chapter 640, Statutes of 2003) has a direct impact on consumer safety. The new mandatory reporting law will reduce the number of incompetent or unsafe licensees that continue to practice after they are suspended or terminated for cause by one facility and immediately obtain employment at another facility (e.g., nurse registries, convalescent homes, etc.). Although the PT Program, as a special fund agency, had sufficient funds available to

implement this critical consumer protection law, approval was not granted at this time. Patient harm and patient death could be reduced if the PT Program was granted the necessary funding to implement this new consumer protection law.

Executive Officer Approval:


Teresa Bello Jones, Executive Officer

Date:

March 3, 2004

Department Director Approval: _____

Date: _____

Agency Secretary Approval:



Date:

3-11-04

(3/1/2004)

Control Section 4.10 Reductions By Program

Org. Code: 1111

Department: Department of Consumer Affairs: Office of Privacy Protection

How was reduction implemented?

A reduction of \$77,250, representing 15% of the total Office of Privacy Protection budget, was accomplished by eliminating one position and making reductions in operating expenses.

In fiscal year 2002-2003, the Office had a staff of 7.5 PYs and a total budget of \$638,000. At the start of fiscal year 2003-2004, the Office had a staff of 6 PYs and its budget was \$527,000. With the Section 4.10 budget reductions in late-2003, the Office staff was reduced to five positions and the budget to \$485,000.

What was the actual effect of this reduction?

At a time when the incidence of identity theft is growing dramatically, the Office of Privacy Protection is less able to assist victims and inform consumers about how to protect themselves from becoming victims.

Victim and Consumer Assistance Diminished

One effect of the position eliminations is a reduced level of assistance provided to consumers who contact the Office by phone or e-mail about identity theft and other privacy concerns. On average, half of the calls received are about identity theft. There is now just one position dedicated to consumer assistance. In times of peak demand, other staff members have to leave their duties and help answer phones, yet even that does not provide enough coverage. For example, in February three major security breaches involving personal information occurred (at EDD, United Blood Services and CSU Monterey Bay). The breaches resulted in over 2,500 calls received by the Office over 15 days. Other Office staff shared in assisting these individuals, who called the Office because they were concerned about becoming victims of identity theft. But according to phone records, 3,366 calls were abandoned during this period because the callers could not get through. California's law requiring businesses and state agencies to notify individuals of such security breaches will continue to lead to this kind of demand on the Office of Privacy Protection.

Consumer Education Programs Reduced

The demand for consumer assistance periodically draws other members of the small Office staff away from their regular functions, including developing consumer educational materials. Additionally, the very limited operating expenses no longer allow the Office to meet the demand

for community education on identity theft in different parts of the state. In 2002-2003, the Office conducted or participated in 53 workshops for consumers, which were attended by over 15,000 people. In 2003-2004, the Office will conduct or participate in only 17 consumer education events, attended by about 1,900 people.

Other Language Materials Eliminated

Identity theft and related scams such as e-mail "phishing" for personal information are not targeted just to English-speakers, but the Office's ability to provide useful information in other languages has been eliminated. The consumer information materials produced by the Office in its first two years were translated into four languages in addition to English: Spanish, Chinese, Vietnamese and Korean. With the budget reduction, the Office can no longer afford to have its materials translated. Not only are new materials developed since July 2003 available only in English, but as laws and practices have changed, older materials in other languages are becoming obsolete and being removed from the Office's web site.

x *Joanne McMahon*

Department Director Approval: *Henri Brown*

Date: *3-8-04*

Agency Secretary Approval: *Gred Aguirre*

Date: *3-11-04*

Control Section 4.10 Reductions By Program

Org. Code: 1111

Department: Department of Consumer Affairs/Arbitration Certification Program

How was reduction implemented?

Took a .3 reduction of one SSA position, seized overtime pay, and furloughed two full time student assistants (temporary staff.)

What was the actual effect of this reduction?

Enforcement (Reflected as 1 Position in DOF summary)

With this reduction, the ACP cannot meet statutory requirements of B&P Code Sections 474.2(b), 472.4(c), 472.4(c)(2), 472.4(b) and (c)(3), and 472.4(f). The ACP is mandated to certify and decertify arbitration programs sponsored by the new motor vehicle manufactures, inspect/audit arbitration hearings, audit arbitrator training, conduct and analyze an annual consumer satisfaction survey, compile and prepare annual statistical reports, produce annual reviews of certified arbitration programs to determine if they should continue to be certified, write a Biennial Report to the Legislature on the effectiveness of the program, publish educational material (brochures), adopt & amend regulations, establish procedures to assist consumers with complaints against certified programs, investigate complaints and conduct analyses indicating a representative sample of complaints against each process, report manufacturers who do not comply with an arbitration program's decision to the Department of Motor Vehicles (DMV), monitor and inspect each qualified arbitration program's operations and processes at least twice annually, (all program headquarters are out of state), and conduct informal conferences with manufacturer and administrator when violations occur.

Support

The loss of our Temporary help and overtime authority compounds the impact of ACP's Chief and analyst ability to properly perform enforcement activities because they have to perform all of the administrative and clerical workload. Additionally, ACP loss the help in monitoring hearings and dealerships from our temporary help.

Consumer Harm:

ACP's ability to meet its critical mandate to monitor arbitration hearings has declined thereby hampering consumers' chances of receiving a replacement or refund decision. The average refund or replacement cost of a vehicle is approximately \$29,000.

Arbitration Certification Program Chief

Rachel Chavez
Date: 3/12/04

Department Director Approval:

Dennis Brown

Date: 3/12/04

Agency Secretary Approval:

Gred Ogden

Date: 3-15-04

Control Section 4.10 Reductions By Program

Org. Code: _1111_

Department: **Consumer Affairs/Hearing Aid Dispensers Bureau**

How was reduction implemented?

The Hearing Aid Dispensers Bureau (Bureau) has eliminated overtime and a portion of the committee member per diem budget.

The Hearing Aid Dispensers Bureau licenses and regulates hearing aid dispensers. The Bureau also protects hearing-impaired consumers by informing them of their legal rights and obligations when purchasing or returning hearing aids and protects consumers by maintaining advertising standards.

What was the actual effect of this reduction?

As a result of the elimination of overtime, the Bureau has modified the employee's workweek when administering the practical examinations three times per year. No significant impact.

The Technical Advisory Committee meets once a year instead of four times a year, which impacts the Bureau's ability to maintain its strategic direction.

Mary L. Meza 3/8/04

Department Director Approval: Kenneth Brown

Date: 3-8-04

Agency Secretary Approval: Fred Aguirre

Date: 3-11-04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs/Bureau of Security and Investigative Services,
Private Security Services Fund

How was reduction implemented?

From licensing, 5 positions (Program Technician II), \$13,761 from the Overtime allocation, and \$23,800 from the Proctor Temporary Help allocation were eliminated.

From enforcement, \$2,142 from the Board Member Per Diem allocation was eliminated.

What was the actual effect of this reduction?

Licensing:

5.0 Positions (\$188,120) - The Bureau was given 7 new positions to implement SB 1241, which increased the Bureau's workload significantly. These positions were to replace the seasonal and student positions within the Bureau. The reduction caused 5.0 positions to be cut. The Bureau is still relying on additional temporary help to accommodate the increased workload. The increased workload is due to the elimination of the temporary guard cards. Private Patrol Operators needed to make sure that they could hire guards and place them on post in a days notice. The increased staff would have allowed for a quicker turn around time. With the positions, guard applications were to be processed in a timely manner. However, with the reduction the Bureau is unable to meet the turnaround time.

Overtime (\$13,761) - The loss of overtime funding has eliminated the use of weekends to process applications. The applications processed on the weekends were ones that could not be processed during the regular workweek due to the magnitude of applications received.

Proctor Temporary Help (\$23,800) - Due to the loss of funding for proctor temporary help we are forced to use state staff to administer exams at a much higher cost.

Enforcement:

Board Member Per Diem (\$2,142) - With the reduction of the board member per diem, the Bureau no longer is able to have a Directors Review Committee, which in the past has saved the Bureau thousands of dollars that would have normally been spent with the Attorney Generals Office.

Department Director Approval: *Dennis Brown*

Date: 3-8-04

Agency Secretary Approval: *Fred Aguilar*

Date: 3-11-04

Ken Hest Bee

BL 04-03
Attachment IControl Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs/Bureau of Security and Investigative Services,
Private Investigator Fund

How was reduction implemented?

Eliminated a 0.4 temporary position and corresponding funding and \$3,000 from the overtime allocation.

What was the actual effect of this reduction?

Licensing: (0.4 Temporary Position & corresponding funding)

The Bureau utilizes temporary help to accommodate the increased workload that resulted from SB 1241. The increased workload is due to the elimination of the temporary guard cards. Private Patrol Operators needed to make sure that they could hire guards and place them on post in a days notice. Additional temporary help would have allowed a quicker turn around time and guard applications would have been processed in a timely manner. However, due to the reductions, the Bureau is unable to meet the turnaround time.

Overtime: (\$3,000)

The loss of overtime funding has eliminated the use of weekends to process applications. The applications processed on the weekends were ones that could not be processed during the regular workweek due to the magnitude of applications received.

Department Director Approval: *Henry Brown*Date: *3-8-04*Agency Secretary Approval: *Fred Aguma*Date: *3-11-04*

Devin H. Galt
Deputy Chief - BSIS

3/8/04

Control Section 4.10 Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Bureau for Private Postsecondary and Vocational Education – Fund 305

How was reduction implemented?

The programs funded by the Private Postsecondary and Vocational Education Administration Fund are responsible for:

- Oversight and approval of private postsecondary vocation and degree-granting institutions;
- Protection of consumers and students against fraud that may lead to loss of their funds for education costs; and
- Development of state policies for private postsecondary education in California.

The reduction of seven positions and \$375,654 was done by eliminating vacant positions in critical areas; one position from Enforcement, three positions and all budgeted Overtime from Licensing, and three positions from Support services.

What was the actual effect of this reduction?

Enforcement – 1.0 Staff Services Analyst

Important analytical services, including budgeting and performance of analysis have been performed at a minimal level.

Licensing – 1.0 Office Technician, -1.0 Sr. Educ Specialist, -0.4 Office Assistant and -\$3,000 Overtime

Increase in professional staff's workload by absorbing the OT duties. Delay in processing and filing of closed school paperwork. Un filed paperwork has been more difficult to locate causing further delay. Telephone customer service has been negatively impacted, causing customers to utilize voice mail as opposed to receiving a live person. Calls are being returned at a later time. Limited support services e.g. retrieving files, duplicating documents, forwarding applications, etc, have been available to the professional staff. The elimination of overtime has adversely affected the Bureau's ability to address any backlog that has arisen.

Support – 1.0 Office Technician, -1.0 Staff Services Manager III, -1.0 Staff Services Analyst

Increase in professional staff workload with OT duties. Mail delivery has been reduced to once daily which has delayed the staff in receiving mail timely. Important analytical services, including various personnel functions have not been performed. The SSM III represents a critical component of the Management/Supervisory team. This loss has required the Deputy Chief to provide direct supervision to one of the units within the Bureau. Given the scrutiny of the program and staffing levels by the Bureau of State Audits, employee unions, interest groups and the Joint Legislative Sunset Review Committee, the Bureau is exposing itself to grievances, complaints and criticism by the Legislature.

Department Director Approval: Heidi Brown

Date: 3-8-04

Agency Secretary Approval: Fred Aguilar

Date: 3-11-04

X Michael V. Abbott

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Bureau for Private Postsecondary and Vocational Education – Student
Tuition Recovery Fund (STRF)

How was reduction implemented?

The Student Tuition Recovery Program (STRF) and Closed School Assistance programs provide informational and financial assistance to California residents enrolled in private postsecondary educational institutions approved by the Bureau.

The STRF program implemented the reduction by eliminating 60% of its Temp Help budget (\$6,240) and its budgeted Temp Help authority (0.1 PY). This resource was in place to provide support for student claim processing.

What was the actual effect of this reduction

Enforcement

No effect

Licensing

No effect

Support – 0.1 Temporary Help

The loss of 0.1 temporary help has added to the delay of claims being processed timely for eligible students. Further, approximately 4 – 6 temporary employees were assigned to the STRF unit to assist in the processing of the work. Their assignments included retrieving files and transcripts from the warehouse, application input, sorting and filing claims, etc. The loss of this support has significantly delayed responses to the students.

Department Director Approval: Ulenisi Brown

Date: 3-8-04

Agency Secretary Approval: Fred Aguilar

Date: 3-11-04

x Michael V. Abbott

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Bureau for Private Postsecondary and Vocational Education

How was reduction implemented?

The Veterans' Education Program (Title 38) regulates education and training programs offered by any public or private California postsecondary educational institution that seeks to enroll veterans and other eligible persons receiving educational benefits from the U.S. Department of Veterans Affairs. The program is fully reimbursed by federal funding.

The reduction was implemented by eliminating one vacant Senior Education Specialist position of the eight Education Specialist positions assigned to the Title 38 program.

What was the actual effect of this reduction? Caseload has been redistributed among the remaining Education Specialists.

Enforcement -- There is a potential for diminished oversight of Title 38 schools as caseload increases for each Education Specialist.

Licensing -- 1.0 Sr. Education Specialist

Title 38 is 100% federally funded. The Veterans' Administration establishes performance standards for the states to qualify for a particular level of funding. As the caseload for each Education Specialist increases due to the position loss, there may be delays in processing applications and related workload. Delays would mean that schools applying to participate in the program would have to wait. And if the delays result in the program not meeting its prescribed performance goals, the Title 38 program could suffer a loss of current reimbursements or a reduced contract amount next year.

Support -- No effect

Department Director Approval:

Charles J. Jettel

Date:

3-18-04

Agency Secretary Approval:

Fred Ayua

Date:

3-18-04

BL 04-03
Attachment IControl Section 4.10
Reductions By Program**Org. Code:** 1111**Department:** Consumer Affairs/Bureau of Electronic and Appliance Repair**How was reduction implemented?**

Eliminated 1.0 position in enforcement (Office Technician), 0.1 position in licensing (Program Technician), and \$13,537 from the Temporary Help allocation.

What was the actual effect of this reduction?**Enforcement: 1.0 Position (Office Technician)**

The Office Technician provided administrative and technical support to the Enforcement Unit. This reduction impacted the Bureau's ability to detect unlicensed activity, unlawful advertising, and the preparation and processing of correspondence, citations, and other documents related to Enforcement. The Bureau was forced to shift this workload to an Executive Secretary I and other staff, which increased overall processing times.

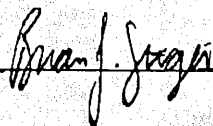
Licensing: 0.1 Position (Program Technician II)

This reduction increased the processing time for applications, license renewals, and maintenance of licensing records.

Support: (Temporary Help - \$13,537)

The Bureau could not hire temporary help, which required higher-level staff to perform routine clerical support duties.

Bureau Chief



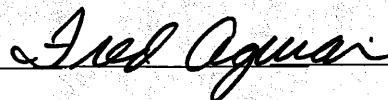
Date: 3/8/04

Department Director Approval:



Date: 3/8/04

Agency Secretary Approval:



Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Bureau of Automotive Repair - VIRF

How was reduction implemented?

The reduction was implemented via eliminating authority and funding for 48 positions, and the entire budget for 6.2 temporary help positions and overtime. Existing staff were either redirected and/or absorbed additional duties and responsibilities. Fieldwork assignment areas were expanded.

What was the actual effect of this reduction?

Support (2.0 Permanent / 1.0 Temporary Help)

- Increase in processing time of internet applications.
- Delayed maintenance of intranet applications.
- Delayed reorganization of BAR's web site.
- Delayed preparation of all internet applications.
- Delayed development of a sub web site for BAR ET.
- Delayed development of a Web based Vehicle Retirement program for CAP.
- Delayed development of a new Data Warehouse with Next Generation vendor.
- Delayed reorganization of the Automated Job Order Tracking and Undercover Vehicle System.
- Delayed development of an automated system to maintain Web content.
- Delayed development of a purchasing/contracts tracking application.

Licensing (3.0 Permanent / 0.4 Temporary Help)

- Increase in processing time.
- Increased number of telephone calls from licensees.
- Delay of certifications and denials.
- Delay of conversion of licensing system to CAS.
- Increased number of requests for duplicate registrations/licenses due to processing delays.

The reduction of staff has greatly impacted the Licensing Division's ability to efficiently and effectively perform their duties and has caused delays in service provision to licensees and consumers.

Enforcement (4.3 Permanent / 4.8 Temporary Help)

- Formal investigations in both the Smog Check and Automotive Repair programs have been reduced.
- Formal presentations to consumers and industry have been reduced in both the Smog Check and the Automotive Repair Programs.
- General office conferences conducted with licensees in the Automotive Repair program have been reduced.
- Probation follow-up conferences in the Automotive Repair program have been reduced.
- Application investigations in the Automotive Repair program have been reduced.

- Statewide quarterly quality assurance inspections of Smog Check repair assistance stations have been reduced to a semi-annual schedule.
- Managers and leads spend more time completing projects and tasks and have less time to devote to project management.
- Cross-training is compromised when staff are on leave (vacation, sick leave, FMLA).
- The Bureau has not been able to hire staff to support the increase in responsibilities associated with the recently Enhanced Bay Area Smog Check program.
- BAR cannot conduct required Smog Check quality assurance station inspections in the Bay Area.
- Increases in travel expenses for Sacramento Field Representatives covering Bay Area Automotive Repair Program work.

There is little or no clerical staff in many of the field offices to answer the public telephones and work the public counter. Photocopying, travel arrangements, timesheets, travel claims, Cal card statements, workers compensation documents, personnel documentation (FMLA, etc), and documentation of correspondence to vendors are not being adequately completed and are being delayed.

Department Director Approval: Kenesi Brown

Date: 3-8-04

Agency Secretary Approval: Jeff Ayman

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Bureau of Automotive Repair - HPRRA

How was reduction implemented?

Overtime and temporary help funding was eliminated to establish necessary savings. Existing staff were either redirected and/or absorbed additional duties and responsibilities.

What was the actual effect of this reduction?

Support (Temporary Help/Overtime)

- Repair transactions have less review.
- Limited oversight, training and monitoring for Gold Shield/CAP stations.
- Increased wait time for applicants and contracted stations when contacting CAP.
- Reduction of program evaluation and analysis.
- Consumer Surveys have been discontinued.
- Delays processing Gold Shield applications and monitoring application amendments.
- Elimination of consumer outreach events targeting low-income motorists.

Department Director Approval: Dennis Brown

Date: 3-8-04

Agency Secretary Approval: Irish Aguiar

Date: 3-10-04

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Department of Consumer Affairs
Cemetery and Funeral Bureau
Cemetery Operations

How was reduction implemented?

2 position reduction. Total special fund savings \$69,096

What was the actual effect of this reduction?

With the loss of an enforcement position (1 position), the Bureau has been unable to conduct essential field audits of cemetery trust funds. Monitoring of trust funds held by licensees has been limited to minimal monitoring of annual trust fund reports.

With the loss of a licensing position (1 position), the Bureau has had to redirect enforcement staff to track more than \$1,600,000 in regulatory fees reported by licensees annually. The Bureau has redirected enforcement staff to carry out essential licensing workload. Review of enforcement cases and monitoring of licensee trust fund reports have been delayed because of the redirection. The implementation of two new licensing categories has been delayed, and further created processing delays that will prolong application processing beyond timeframes established in regulation for issuing licenses.

Glenn J. Capra 3/8/04

Department Director Approval: *Wanda Brown*

Date: 3-8-04

Agency Secretary Approval: *Fred Aguirre*

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Department of Consumer Affairs
Cemetery and Funeral Bureau
Funeral Operations


How was reduction implemented?

2 position reduction. Reduction of Temp Help. Total special fund savings \$60,932

What was the actual effect of this reduction?

With the loss licensing positions (2 positions), the Bureau has reclassified an enforcement position to a licensing position in order to conduct sensitive apprentice embalmer, and embalmer licensing workload. Review of enforcement cases and monitoring of licensee trust fund reports have been delayed because of the redirection. The Bureau has redirected administrative staff to carry out licensing examination workload. Issuing of original licenses, renewals and license maintenance workload has been delayed beyond timeframes established in regulation for issuing licenses. Administrative workload (Rulemaking activities, monitoring legislation, filing reports) has been either stopped or greatly delayed because of the redirection.

With the loss of Temp Help (support staff), the Bureau has redirected administrative and enforcement staff to carry out essential clerical workload. The redirection of resources has delayed processing enforcement actions and administrative tasks.

 3/8/04

Department Director Approval: Dennis Brown

Date: 3-8-04

Agency Secretary Approval: Fred Ayres

Date: 3-11-04

BL 04-03
Attachment IControl Section 4.10
Reductions By Program

Org. Code: 1111

Department: DCA- Bureau of Home Furnishings and Thermal Insulation**How was reduction implemented?**

Reduction of 1.0 position in enforcement, 1.0 position in support, elimination of \$117,107 in Temporary Help and \$1,123 in Overtime budget.

What was the actual effect of this reduction?

Support: (1.0 Position) - As of July 1, 2003, a Textile Technician II position was abolished within the Research & Development (R&D) Unit. The loss of the Textile Technician II position has required the workload incurred by this position to be distributed among other Textile Technicians within the Laboratory Unit, creating a backlog in workload for both the Laboratory and R&D Unit. As the backlog increases, the development and implementation of Technical Bulletin 604 (bed clothing flammability standard) has been delayed. These regulatory changes will significantly increase the safety of consumers. If the Bureau does not meet the legislative mandate Californian's health and safety are at risk.

Enforcement: (1.0 Position) - As of July 1, 2003, the Bureau's enforcement activities have been significantly impacted by the loss of the Inspector III position. The loss of the Inspector III has required that one of our field inspectors be assigned to headquarters to act in a lead capacity resulting in a 14 % reduction in the Bureau's enforcement productivity. Additionally, the supervisory activities of the Inspector III were reassigned to the Enforcement Manager, which will further impact the Bureau's ability to process enforcement actions. Finally, the Inspector III position was responsible for the implementation of the enforcement plan pertaining to the Bureau's Legislative Mandate AB 603.

Temporary Help: (\$117, 107) - Pursuant to the Governor's Executive Order S-3-03 a Retired Annuitant (RA) was terminated. The loss of this employee was severe for the Licensing Unit because the RA provided staff much in the way of historical knowledge of the Bureau and the licensing industry. The RA solely processed all thermal insulation licenses and the thermal insulation directory manually, dealt with all consumer/licensee issues related to thermal insulation, and assisted the support staff in administrative support. Since that time, the thermal insulation licensure and all other duties associated with the RA position have been temporarily reassigned to the Licensing/Support Lead. The Lead's responsibilities of providing day-to-day direction to Licensing Unit on complex issues, monitoring of workload and work assignments and providing direction and oversight to the Bureau's support staff have been decreased. This negative impact has caused a delay in responding to consumer telephone issues and complaints, a decrease in licensing productivity, and backlog in workload.

Overtime: (\$1,123) - Although overtime expenditures are minimal, these expenses occur due to the Field Inspectors unforeseen time constraints during inspections. The Bureau has increased efficiencies, thereby alleviating the need for overtime.

Department Director Approval: Dennis BrownDate: 3-8-04Agency Secretary Approval: Fred AguilarDate: 3-11-04Program Approval: Frank Stern for Lynn MorrisDate: 3/4/2004

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs/AISD (Roll)

How was reduction implemented?

The reduction was implemented via eliminating authority and funding in various areas as follows:

Executive Office

Entire 1.3 temporary help positions and overtime budget

Legal Affairs

Entire 1.0 temporary help position and overtime budget

Legislative & Regulatory Review

Two (2) civil service positions, and the entire 0.3 temporary help position and overtime budget

Office of Examination Resources

One (1) civil service position, and the entire 0.6 temporary help position and overtime budget

Office of Information Services

Eleven (11) civil service positions and the entire overtime budget

Office of Administrative Services

Sixteen (16) civil service positions, and the entire 7.4 temporary help positions and overtime budget

What was the actual effect of this reduction?

Overview of Program Responsibilities

In order to maximize the efficiency and effectiveness in the delivery of services, ensure proper oversight and accountability, and minimize duplication of effort, the Department centralizes several functions that support the administration and implementation of the goals of the regulatory boards, bureaus, and programs. They include and are summarized as follows:

Executive Office

Provides support and oversight for the Department's regulatory boards, bureaus, and programs, and provides policy direction for the bureaus and programs under the Director's appointing authority. The Executive Office also includes the Internal Audits Office and the Equal Employment Opportunity Office.

Legal Affairs

Provides legal services to the Director and the regulatory boards, bureaus, and programs.

Legislative & Regulatory Review

Provides analysis of legislation and proposed regulatory changes.

Office of Examination Resources

Assists regulatory boards, bureaus, and programs to develop and administer reliable and valid examination programs that fairly assess candidates' competence to practice.

Office of Information Services

Provides expertise to plan, develop, implement, and operate business and information systems solutions, as well as oversight of all information technology projects within the Department.

Office of Administrative Services

Provides administrative support, including personnel, budgets, contracts, purchasing, space planning, accounting, and training services.

Actual effects of this reduction are as follows:

Executive Office

The most effective preventative tools to avoid discriminatory practices are knowledge, awareness, and sensitivity. This is accomplished in the most significant way by training DCA employees regarding their rights and responsibilities. Managers and supervisors received

training on November 12, 2003, but the Equal Employment Opportunity (EEO) Office has not trained rank-and-file staff since July 10, 2002. The EEO Office had planned to repeat our training cycle in July of 2003, but was unable to do so due to the budget cuts.

The EEO Office's ability to conduct training for rank-and-file staff has been seriously hindered by the elimination of the Retired Annuitant (temporary help) positions. These positions were responsible for developing forms, preparing course materials, drafting fliers/announcements, locating training sites and dates, updating enrollment forms, scheduling employees for training, creating and updating a database, and issuing certificates of completion.

Investigation: The EEO Office has experienced delays in completing time-sensitive reports of investigations alleging sexual harassment, discrimination and retaliation. Without the Retired Annuitant - Office Technician to collect and copy necessary documents, transcribe the most sensitive interviews, schedule witnesses, prepare correspondence for mailing, and prepare dividers for the reports themselves, this work is given to the sole support person to complete in addition to her critical daily tasks. This backlog of work has delayed the completion time for investigations. The EEO Office's inability to effectively resolve these discrimination complaints in a timely manner has the potential of exposing the DCA to serious litigation costs.

These extended time frames for resolution of employees' discrimination complaints due to staffing reductions has also increased the number of complaints that have been filed with the Federal Equal Employment Opportunity Commission (EEOC) and the State Department of Fair Employment & Housing.

Compliance: The EEO Office has responsibility for ensuring that the DCA is in compliance with Federal and State laws, namely, the Americans with Disabilities Act (ADA), the Fair Employment & Housing Act (FEHA), Title VII of the Civil Rights Act of 1964, (as amended), the Dymally-Alatorre Bilingual Services Act, the Upward Mobility Program, the Whistleblower Protection Act, and all pertinent Government Code provisions. Due to the workload demands involved with employee counseling and resolution of discrimination complaints, the EEO Office has been unable to monitor all of these programs on a consistent basis.

Legal Affairs

The work performed by this temporary help staff included filing, preparation of files for attorneys (ordering and copying tasks, etc.) She also did library filing and supply ordering. The elimination of temporary help authority and funding resulted in the transfer of this clerk's duties to a Senior Legal Typist.

The Senior Legal Typist duties include legal secretarial duties. As a result of the reduction, the Senior Legal Typist now devotes more time to general office duties, such as answering the telephones and processing invoices. She has less time to perform the more complex projects for which she was hired, including word processing and editorial work; including the updating and re-formatting of large documents. This has resulted in a large backlog of that work.

With the assimilation of the tasks previously handled by the temporary clerk, by the Senior Legal Typist, many of the duties and responsibilities previously performed by the Senior Legal Typist either fall on the staff attorneys, are done at a much slower rate or do not get performed.

Consequently, with the attorneys doing a great deal of their own typing, formatting of documents, copying and faxing, productivity by the staff counsels is lessened and inefficiency is increased due to the misallocation of time.

Office of Examination Resources

As a result of losing one civil service position, no clerical positions remain at the Office of Examination Resources (OER). Technical staff must perform support activities/functions, for example, answering telephones, doors, filing, and copying materials for examination development and occupational analysis workshops.

Requiring technical staff to perform support activities has at least two critical consequences: (1) increased chance of error when performing test development work due to interruptions (e.g., errors in scoring licensure examinations, errors in data entry and analysis); and (2) redirection of time spent performing highly technical and analytic work to time spent performing support activities.

Loss of temporary help has prevented on-site information technology services and support for test development and computer-based test administration staff. Further, temporary help provides critical assistance to test development staff in terms of preparation for examination development and occupational analysis workshops as well as assisting with the monitoring of subject matter experts for security purposes.

Loss of overtime has prevented the maximum use of subject matter experts who travel from throughout the state to participate in examination development and occupational analysis workshops. Workshops must end earlier to prevent overtime for staff. The consequence is less work completed due to reduced timeframes. Further, overtime allows the test development staff to complete more projects and thus save the boards, bureaus, and programs from contracting with private vendors who charge two to four times the amount charged by OER. That is, overtime allows OER staff to assist the boards, bureaus, and programs meet B&P Section 139 requirements more efficiently.

Office of Administrative Services

- Chief: Adverse impact. The CEA position oversees and provides direction for the Family Support Program, e-Government, Planning, Research, and Planning Program; Hearing Aid Dispensers Bureau (since the Bureau Chief position is vacant), and the Telephone Medical Advice Services Bureau. Since this position is eliminated, these four programs are managed by a Staff Services Manager I and an Associate Governmental Program Analyst - positions that do not possess the necessary management skills and leadership for these programs.

- **Fiscal:** Accounting positions dedicated to the processing and distribution of manual checks and distribution of automated checks were eliminated. Checks were previously being run twice a day and distributed on a daily basis. Checks now are ran only once a day in the morning and are taking from two days to a week to distribute.

The loss of these positions has caused:

- delays in the remitting of moneys to the State Treasurer which creates a loss of interest from the Pooled Money Investment Board.
- delays in processing the daily buy back check for dishonored checks effects the stopping of the issuance of a license and a flag being placed on the license file.
- delays in processing salary advances, travel and vendor payments creating complaints and possible penalties and assessments.
- delays in processing cash refunds to licensees for overpayments.

Phone calls complaining and inquiring on payment status are coming in from licensees, vendors, and employees creating additional workload to research where in the process the payment is at and taking valuable time away from other duties.

The constant shifting of new resources to do these duties is causing a breakdown of internal control and separation of duty mandates putting this Department at a greater risk of financial loss.

A budget analyst position was eliminated which results in increased workload for the remaining analysts. The Budget Office analysts are already working at maximum capacity and overtime to address the ongoing workload demands. The loss of this position will adversely affect the Budget Office from potentially meeting crucial workload deadlines (e.g., year-end, BCPs, Galley).

Temp Help: Severe impact if funds are eliminated. Elimination of all temporary staff will severely impact the Office of Administration since there will no longer be staff assigned to the reception unit. These positions support all walk in administrative clients including clients dropping off monies to be deposited, smog cert payments, and various license renewals. The reception unit also answers all incoming administrative phone calls representing approximately 200 employees. Additionally, temp help currently funds the retired annuitant who processes all Board of Control claims and Franchise Tax Board paperwork.

Overtime: Elimination of overtime funds results in a loss of resources to deal with fluctuations in the workload and meeting critical deadlines. Elimination of overtime funds will result in a delay of cashiering licensee payments along with untimely deposits. Elimination of overtime funds will also make it difficult for the Budget Office to meet numerous crucial deadlines, especially during the Governor's Budget development process.

- **Training:** Board training coordination service provided by one Training Officer I was redirected to another training staff person as additional workload as the services provided (Board Member Orientation Training) are required in Business & Professions Code Sec. 453. Workload was adjusted to eliminate some non-essential services.

Employee Development program/career counseling services provided by the other Training Officer I were curtailed as "non-essential" services. Some internal training classes were scheduled less frequently or dropped as demand for internal training classes was expected to drop based on position reductions department-wide.

- **Personnel:** Elimination of the positions and temporary help blanket impacts the Selection Services Unit's ability to hire and employ Subject Matter Experts, Examination Proctors, and paid Chairs through the State Personnel Board (SPB). The Selection Unit currently administers over 50 statewide exams. Due to the recent reductions and elimination of positions has required the Personnel to prioritize the workload based on the most critical need. The delivery of services has been impacted by Personnel's inability to meet all of our client's critical needs on recruitment and testing issues.

The elimination of the temp help and overtime blanket has eliminated the opportunity to compensate employees during critical crunch periods (vacancy drills, year-end, position reconciliation, Schedule 8, etc.). Reduced resources have directly affected the ability of personnel staff to keep up with their current workloads and inability to work on special projects requested by our clients.

- **Policy, Research, Planning:** Oversight of Boards and Bureaus by staff has been significantly curtailed. No on-going oversight functions are being done. Staff can only respond to specific requests for oversight services.

Strategic planning has been shifted to the Department's Training unit. No regular monitoring of Board and Bureau strategic plan implementation has been done since the staff reduction; however, staff are working to reinstate this function as time and resources permit.

Business process improvement services are not being provided.

Ability to respond in a timely fashion to special research project requests has been negatively impacted due to reduced staffing.

- **Business Services Office:** Loss of the Office Assistant position and temporary help authority has impacted Business Services Office's (BSO) ability to pick up and deliver clients' incoming and outgoing mail daily. As a result, the BSO has had to reduce its service from picking up and delivering mail to each client location, to delivering to centralized locations only. This in turn, has impacted client operations by creating less flexible time frames for preparing outgoing mail. Because clients have also experienced resource reductions, this impacts their ability to meet mandates for mailing time sensitive mail to applicants, licensees, and consumers.

Loss of the Associated Space Planner position has impacted BSO's ability to reconfigure and remodel existing office space. Without having this position in-house to do the planning, client requests are forwarded to the DGS RESD for planning. This creates significant delays in getting the work completed, and has created health and safety issues and ADA violations.

Loss of the Office Technician position has impacted BSO's ability to process clients' purchase and contract requests in a timely manner. The workload of this position had to be redirected to the only other support position. Delays in completing contracts and purchases impact clients operations by not being able to obtain goods and services necessary to carry out mandated functions.

Loss of the overtime funds has prevented the BSO from completing special/urgent projects in a timely manner and meeting urgent/emergency deadlines for client requests.

Department Director Approval: Klenesi Brown

Date: 3-8-04

Agency Secretary Approval: Fred Aguirre

Date: 3-11-04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs/Communications & Education Division

How was reduction implemented?

Reduction of 1.0 position (Graphic Designer I)

What was the actual effect of this reduction?

The elimination of this position cut the Communications & Education Division's (CED) full-time graphic arts staff by one-half. The other graphic artist has now almost doubled his workload. An Information Officer I has now increased the amount of time spent on graphics related projects from one-third to one-half. CED is now preparing to train other Information Officers to produce simple graphic layouts, which will take them away from their other duties.

Department Director Approval: Henry Brown Date: 3-8-04

Agency Secretary Approval: Paul Aguilar Date: 3-11-04

Tridener 3/8/04

Control Section 4.10 Reductions by Program

Org. Code: 1111

Department: Consumer Affairs – Consumer Relations and Outreach Division (CROD)

How was reduction implemented?

The Consumer Information Center (CIC) manages the Department's Call Center, sends out publications and handles all correspondence for the Department including the following functions:

- Offers consumers information, complaint forms and educational materials to enable them to make informed decisions and resolve complaints.
- Assists consumers by referring them to the appropriate resources for non-board/bureau issues
- Provides applicants and licensees with criteria, materials and directions to complete their license/registration application or renewal process.
- Supports Department of Consumer Affairs Boards/Bureaus by providing a single point of contact for clients and licensees; assists in the management of their workload; and produces statistics and survey data to help manage operations and make decisions.

The Complaint Mediation Program (CMP) acts as a mediator between disputing parties to promote a mutually acceptable resolution to complaints. The CMP resolves complaints for 5 Bureaus including the Bureau of Automotive Repair, Home Furnishing and Thermal Insulation, Cemetery Funeral, Hearing Aid and Security and Investigative Services.

The Reduction Plan cut 14 civil service positions and 4.2 Temporary Help personnel. Specifically, personal service reductions were implemented in the Consumer Relations and Outreach Division by:

- ▶ Not filling vacant positions
- ▶ Furloughing temporary help
- ▶ Issuing surplus notices, which led employees targeted as surplus to seek employment elsewhere creating vacant positions that were not filled
- ▶ Discontinuing overtime
- ▶ Eliminating CIC's temporary help budget

What was the actual effect of this reduction?

- ▶ The Consumer Information Center (CIC) has experienced significant increases in the overall average wait times for consumers calling into the Call Center: under 9 minutes in June 2003 to over 14 minutes in March 2004.

- ▶ The quality of telephone services provided consumers and licensees is minimal since phone staff must now keep call length to a minimum and limit the amount of information delivered. Whenever possible, callers are directed to the Internet to obtain licensing and consumer information.
- ▶ CIC is experiencing a greater volume of irate calls for a variety of reasons.
- ▶ The loss of employees in the CIC Call Center has had a ripple effect on enforcement. With fewer telephone agents, less consumer requests for complaint forms are processed resulting in a 17% decrease in consumer complaints reported to the Complaint Mediation Program for fiscal years 2002/03 & 2003/04. This equates to fewer complaints to mediate and enforcement staff has fewer patterns of complaints to investigate.
- ▶ CMP's loss of 2 CSR's required a shift of workload to existing staff resulting in a higher complaint load for the remaining staff and assigning complaints to higher classifications resulting in delays in responses to consumers.
- ▶ The current delayed service time is expected to be further aggravated by the historic seasonal increase that more than doubles in the number of complaints received during the summer months.

Department Director Approval: Charles J. J. J. Date: 3-18-04

Agency Secretary Approval: Fred Aguirre Date: 3-18-04

Control Section 4.10
Reductions By Program

Org. Code: 1111

Department: Consumer Affairs, Division of Investigation

How was reduction implemented?

The Division of Investigation (DOI) implemented the reduction by eliminating authority and funding for two administrative positions (1 Staff Services Manager I and 1 Office Technician) and 1.1 temporary help, as well as overtime and a portion of the physical fitness incentive pay budget. The Staff Services Manager I position was vacant; however, the rest of the positions were not and the employees in those positions were laid off or relocated.

DOI provides centralized investigative services for the Department's various boards, bureaus, and programs. It is vested with the statutory authority to investigate and enforce the laws administered by the client agencies within the Department.

What was the actual effect of this reduction?

The lack of overtime funds puts in jeopardy the Division of Investigation's ability to respond to emergency situations, which normally affect public health and safety.

The cuts in the Physical Fitness Incentive Pay (PFIP) program limits the ability of the investigators to keep physically fit, a requirement of their peace officer duties. This requirement reduces the Workers Compensation liability to the state. PFIP is also required under Article 13.3 of Bargaining Unit 7, Protective Services and Public Safety. Because this pay must be met, funds were redirected from another line items, thereby creating a deficit in those line items.

The Deputy Chief minimally supervises the Headquarters Administrative Support Services staff when his other duties allow. The support staff consists of analyst-level employees who do not have clerical support. Also the field offices no longer have the Headquarters administrative/clerical support.

The elimination of the retired annuitants created a void in the investigations that were assisted by the retired annuitants. This resulted in a loss of billable time and revenue to DOI as well as creating a backlog of older cases over one year old.

Department Director Approval: Dennis Brown

Date: 3-12-04

Agency Secretary Approval: Fred Aguirre

Date: 3-15-04

Control Section 4.10
Reductions By Program

Org. Code: 1700

Department: Fair Employment and Housing

How was reduction implemented?

The Governor's proposed budget in 2003-04 included a 20% reduction for the Department of Fair Employment & Housing (DFEH). The final budget only called for a 5% reduction. By the time the budget was signed in August 2003, DFEH had already put into place its plan to implement the proposed 20% budget reduction by serving the requisite layoff notices, physically closing its offices in Ventura and San Bernardino and reducing its office in Los Angeles by one-third. These reductions were used to meet the requirements of Control Section 4.10 during the current year. In addition, the department also had to eliminate additional positions in its administrative, legislative, public affairs and legal units to meet the mandated reduction. (See attached list of specific positions that were eliminated.)

What was the actual effect of this reduction?

Case Filings: The department has only been able to accept 3,431 cases for investigation during the first six months of FY 2003-04. Statewide, this represents 27% fewer cases than the same period last year. Historically, the department has accepted between 4,500-5,000 cases for investigation within the first six months of the fiscal year over the past four years. Thus, there is demand for our services that is not being met. The inability to meet demand results from reduced staff. The cuts in consultants impact the number of intake appointments that can be scheduled and the volume of caseload that the department can carry.

The number of complaints filed in the counties serviced by offices that were closed (San Bernardino and Ventura offices) is down from the same time last year even more than the statewide average. The chart below reflects the specific counties impacted by these closures.

County	Complaints Filed 07/01/2002 - 02/28/2003	Complaints Filed 07/01/2003 - 02/29/2004	Reduction	%
Riverside	541	388	153	28.3%
San Bernardino	685	437	248	36.2%
San Luis Obispo	72	40	32	44.4%
Santa Barbara	134	95	39	29.1%
Ventura	339	192	147	43.4%
TOTAL	1,771	1,152	619	35.0%

The chart demonstrates that in some counties, the filing rate is down over 40%. This compares to a statewide average of 27%. We have tried to make our services as accessible as possible for these individuals by conducting telephonic interviews in these areas. Despite these efforts, filings are down which reflects the impact that our absence has in combating discrimination.

In order to distribute the work arising out of these areas amongst staff statewide, staff in northern as well as southern California must investigate cases from these areas. Thus, a consultant in San Francisco may be investigating a case arising out of San Bernardino County.

Expirations: The number of cases that exceeded the one-year period is up significantly from the same time last year. The bulk of these expirations occurred during the first four to five months following the closure of offices throughout the state. Once staff left and/or were laid off, their caseload had to be transferred to existing staff who were also trying to manage existing caseloads. When staffing levels were higher, expirations were a rare occurrence.

Intake Lag Time: During the first six months of the past two fiscal years, the average amount of time that a member of the public had to wait to be interviewed by our staff was 60 and 72 days respectively. The current wait time is an average of 78 days, although there have been periods of time in which the lag time in certain offices has exceeded 100 days of waiting before a staff person can interview a potential complainant.

Caseloads: At the end of calendar year 2003, caseloads averaged 90+ per consultant. This means that every time a consultant leaves, 90 cases must be redistributed to staff who already have heavy loads. The caseloads impact service to the public who must wait for their case to be investigated on a first-come first-served process. Members of the public can be very frustrated that their cases take close to a year to complete; however, there is no real way to shorten that time without additional staff.

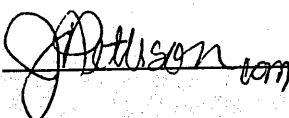
Administration: The department eliminated a total of six administrative support positions. These positions include two journey-level analyst positions in its Personnel Office, two information systems technicians in its Information Systems Center (ISC), one business services assistant in the Business Services Office and one accountant in the Accounting Office.

The department's total authorized positions, after implementation of Control Section 4.1, is 220 personnel years (PY). The department's Management and Budget Division consists of a total of 17 PYs, or 7.7% of its total authorized positions. These 17 positions provide critical administrative support in the areas of Budgeting, Information Technology, Accounting, Business Services, and Personnel. Reducing the administrative support levels to 17 PYs, or 7.7%, has impacted DFEH's ability to maintain these functions current. With reduced administrative support, backlogs do occur.


To maximize efficiencies, the department has developed and implemented numerous information technology systems. The ISC is responsible for maintaining these systems. There are only eight staff available to support the department's information technology systems statewide. These eight staff support all the district offices and the department's

headquarters office. With fewer ISC staff, departmental staff needing information technology (IT) support will have to wait longer, which can result in downtime for staff.

Legal: The department also lost two staff counsel positions in its legal division (this is in addition to another two positions eliminated pursuant to Executive Order 71-03). This represents an overall cut of 25%. Currently, there are 12 lawyers (including our Chief Counsel) who handle our work statewide. These counsel must advise staff in district offices on cases, evaluate the potential of cases for prosecution, and litigate cases before the Fair Employment and Housing Commission and the California and Federal trial courts. At the same time, these staff must provide support to the department by advising executive staff on policy issues, personnel issues, and other legal issues that the department must handle on a daily basis as an employer and state department. Clearly, this staff is stretched thin and face the challenge of trying to keep up with the multiple demands with a significantly reduced staff.

Department Director Approval: 

Date: 3/10/04

Agency Secretary Approval: 

Date: 3-11-04

1700 Department of Fair Employment and Housing

Control Section 4.10 Reduction
Fiscal Year: 2003/04

	03/04	04/05
Enforcement of Civil Rights Laws:		
Administrator I	-3	-3
FEH Consult III Supvr	-2	-2
FEH Consult III Spec	-3	-3
FEH Consult II	-9	-9
FEH Consult I	-12	-12
Office Technician	-10	-10
Office Assistant	-1	-1
Legislation and Policy Development:		
FEH Staff Counsel	-0.5	-0.5
Office Technician	-1	-1
Public Affairs and External Communications:		
FEH Staff Counsel	-1	-1
Legal Division:		
Sr. Staff Counsel Spec.	-2	-2
Legal Secretary	-1	-1
Administration:		
Assoc. Personnel Analyst	-2	-2
Information Systems Tech.	-2	-2
Business Services Asst. Spec.	-1	-1
Total 4.10 Adjustment	-50.5	-50.5

Control Section 4.10 Reductions By Program

Org. Code: 1705

Department: FAIR EMPLOYMENT AND HOUSING COMMISSION

How was reduction implemented?

The Commission's \$173,550 reduction was implemented as follows. Eliminate Hearing Officer position; reduce Commissioner expenses by cancellation of Commission meetings; eliminate temporary help; eliminate overtime; reduce interagency agreement with Teale Data Center; reduce in-state travel; reduce printing costs; reduce communications costs; reduce postage costs; reduce copier costs; reduce office space.

What was the actual effect of this reduction?

In conjunction with prior year reductions, this reduction resulted in the Commission having about a 36% loss of staff, including 2 of 5 (40%) of its Hearing Officer/attorney positions.

The cancellation of Commission meetings has reduced opportunities for public interaction and somewhat slowed the adjudication process. In addition, Commissioners are absorbing their own travel expenses, and foregoing their \$100 per diem for attendance at Commission meetings. The reduction in travel costs has made it difficult to schedule Commission meetings and adjudicatory hearings.

The loss of the Hearing Officer positions has negatively impacted the Commission's ability to conduct legislative and regulatory work, and to a lesser extent its adjudicatory work.

The previous loss of a clerical position has impacted our purchasing control process, PC back-up support, equipment inventory control, library support, public reception, and other support functions.

The reductions in operating expenses (printing, copier, communications, postage, etc.) have resulted in some shortages and increased problems with office equipment.

Department Director Approval: *St. Louis*

Date: MARCH 8, 2004

Agency Secretary Approval: *Fred Aguirre*

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1730

Department: Franchise Tax Board

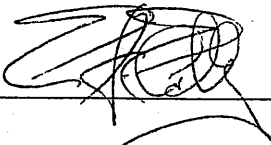
How was reduction implemented?

\$4,763,000 in paid overtime was eliminated.

What was the actual effect of this reduction?

- This reduction represents the entire General Fund budget for overtime used to accommodate Tax Program and HRA workloads.
- Audit work plan reductions – revenue loss is estimated at \$200,000.
- Corporation field collections reductions – revenue loss is estimated at \$100,000.
- Reduction in support processing activities (i.e. potential delays in cash flow and loss of interest earned).
- Impacts to procurement, accounting, budgets and Political Audit functions.
- Impacts to legal revenue support and board meeting support.

Department Director Approval:



Date:

3/8/04

Agency Secretary Approval:



Date:

3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1730

Department: Franchise Tax Board

How was reduction implemented?

\$3,705,000 and 76 vacant positions were eliminated.

What was the actual effect of this reduction?

- The 76.0 June 30, 2003 vacancies abolished were in the following areas:
 - 16 Information Technology (IT) positions
 - 6 audit positions
 - 9 collection positions
 - 26 return processing positions
 - 19 administration positions
- The elimination of the positions in audit, collections and return processing could have a negative impact to our effectiveness in those areas. The elimination of IT and administration positions will impact the ability to maintain and expand IT applications and perform administrative functions. The actual impact to these programs is mitigated by the fact that some of these positions were left vacant by the department as part of the ongoing need to achieve salary savings.
- The dollars associated with the 76.0 positions as part of the Section 4.10 reductions may be covered by a reduction in OE&E planned expenditures. Redirections from OE&E to fund Salary Savings shortfalls will impact the department. Items such as computers, servers and printers can only be deferred for a short time. Failure to maintain our IT infrastructure will eventually impact revenues by not providing Auditors and Collectors with adequate tools to efficiently complete their workloads.

Department Director Approval: _____

Date: _____

Agency Secretary Approval: _____

Date: _____

Control Section 4.10
Reductions By Program

Org. Code: 1730

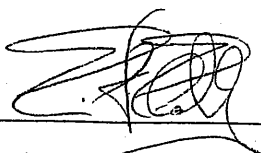
Department: Franchise Tax Board

How was reduction implemented?

\$3,700,000 and 120 attrition positions to be eliminated.

What was the actual effect of this reduction?

- Impacts unknown at this time. If audit and collection positions are eliminated it will negatively impact revenue. Currently, two-thirds of the positions needed to meet the 120 goal are vacant. A significant portion of these are in revenue producing areas.
- As directed by the Department of Finance, the department is expected to abolish 120 positions by the end of the fiscal year. However, rather than laying employees off, these positions would be abolished through attrition.
- The long-term impacts are unknown at this time. If these are eliminated there will be direct impacts to revenue.
- Our goal is to continue to achieve the 120 attrition positions by abolishing non-revenue positions.

Department Director Approval:  Date: 3/8/04

Agency Secretary Approval:  Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1730

Department: Franchise Tax Board

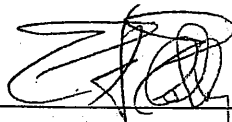
How was reduction implemented?

\$11,899,000 and 212 positions (99 administrative and 113 IT positions) were eliminated.

What was the actual effect of this reduction?

- The administration position reductions to management, supervision, and training were a result of the elimination of direct line positions. These include reductions to legal representation, strategic planning, staff development, management reports, and administrative services.
- The reduction in IT functions were generally in areas that provide system enhancements, help desk, research and development efforts and non-mission critical operation support. These reductions will prevent the department from taking full advantage of its IT investments, which will increase risks of failure and loss of employee productivity.
- It is important to note that FTB has significantly expanded the offering of e-services such as, NetFile, E-File, refund status and electronic installment agreements. These e-venues provide useful services to taxpayers and produce efficiencies within the department. These staff reductions will significantly diminish the department's ability to offer innovations in e-services as well as place at risk our ongoing maintenance of IT infrastructure.

Department Director Approval: _____



Date: _____

3/8/01

Agency Secretary Approval: _____



Date: _____

3-11-01

Control Section 4.10
Reductions By Program

Org. Code: 1730

Department: Franchise Tax Board

How was reduction implemented?

\$2,943,000 and 72 positions were eliminated from customer service.

What was the actual effect of this reduction?

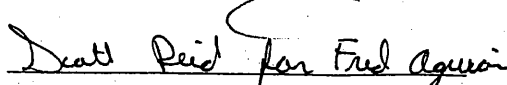
Call Center

- 55 out of 355 positions (15% of base) were eliminated from the Call Center.
- With a 15% reduction in capacity, the impact could increase call wait times, especially for non-revenue calls. Due to the nature of the filing season, we may not know the full impact of these changes until after April 15th.
- In anticipation of this reduction, the department has taken steps to greatly mitigate any related impacts by implementing workload shift agreements with collections and processing program areas that would be available to answer routed calls from the Call Center. The calls are routed to these programs based on their specific areas of expertise.
- Most of these workload shift agreements were implemented at the beginning of February 2004. After the filing season has ended, the department will be evaluating the collections and processing program areas success in managing their ongoing responsibilities in light of the additional Call Center workloads.

District Office

- 17 out of 37 public service positions in 10 of the 16 field offices were eliminated.
- Offices closed to the public included: Bakersfield, Fresno, Long Beach, San Bernardino, San Jose, Santa Rosa, Stockton, Van Nuys, Ventura and West Covina.
- The offices remaining open to the public include: Oakland, Sacramento, Los Angeles, Santa Ana, San Francisco and San Diego. To lessen the overall impact to taxpayers, the six offices to remain open were selected because they are located in the most densely populated areas of the state. Our demographic review indicated that 26 million Californians reside within 50 miles of these offices.
- The following is available at offices not providing public services:
 - Signs and flyers in the lobbies to provide taxpayers with options for contacting the FTB Call Center, the FTB website or the nearest field office with public counter services.
 - Tax return form racks with a wide selection of the most commonly used forms.
 - Drop boxes for payments and returns will be installed.
 - Phones that connect taxpayers directly with the FTB Call Center.
- The department will be evaluating the impacts of the public counter closures after the filing season has ended.

Department Director Approval:  Date: 3/3/04

Agency Secretary Approval:  Date: 3/11/04

**2003-04 Reduction Plan
Franchise Tax Board (1730)**

Reduction	Number of Positions	Temp Help and Personal Services Contracts Positions	General Fund	Various Other Funds Yet To Be Determined	Total Savings
Eliminate All Paid Overtime	0	0.0	\$4,763,000	\$0	\$4,763,000
Eliminate June 30, 2003 Vacancies	76	0.0	\$3,705,000	\$0	\$3,705,000
Estimated Savings from Attrition in FY 2003/04	120	0.0	\$3,700,000	\$0	\$3,700,000
Reduce 99 Administrative & 113 IT Positions	212	0.0	\$11,899,000	\$0	\$11,899,000
Reduce Customer Service	72	0.0	\$2,943,000	\$0	\$2,943,000
Total Reductions	480	0.0	\$27,010,000	\$0	\$27,010,000

Control Section 4.10 Reductions By Program

Org. Code: 1760

Department: Department of General Services

BUILDING REGULATION SERVICES

How was reduction implemented?

The Department of General Services (DGS) Building Regulation Services Programs include the Division of the State Architect (DSA), the Office of Public School Construction (OPSC), and the California Building Standards Commission (CBSC). With a multi-million dollar investment in facilities for state offices and schools, centralized responsibilities for inspection and approval are needed. This is achieved in the following ways: (a) Assuring protection of lives and property in public buildings through plan and field supervision; (b) Insuring that facilities constructed with state funds are accessible to the physically handicapped; (c) Establishing uniform public health and safety regulations for building construction; (d) Administering the State's School Building Lease-Purchase program, which provides financial assistance to school districts for the development of school sites, construction and reconstruction or replacement of school buildings and purchase of furniture and equipment; and (e) Adopting, codifying and publish building standards for the design and construction of state buildings.

The Building Regulation Services Programs reduced eleven positions and \$2,651,419 in personal services and contracted personal services costs as part of the DGS reduction plan.

Budget Letter 03-23 required departmental reduction amounts to include 12 percent of non-General Fund personal services amounts. In addition, Executive Order D-71-03 required the Department of Finance to request the State Controller to abolish any position that was vacant on June 30, 2003 in order to create immediate savings.

Both the DSA and the OPSC pre-dominantly operate using four different funding sources that are specific only to their area of responsibility. No other DGS offices share these funding sources. Thus, unlike the remainder of DGS which shares the Service Revolving Fund, each of these operations were required to meet their 12 percent BL 03-23 reduction goals independently by fund.

The DSA uses external consultants to augment existing staff to perform access plan reviews for K-12 schools, Community Colleges, and essential services buildings. The DSA has reduced these contract positions as part of their 12 percent required reduction in both the Disability Access Account and the Public School Planning, Design, and Construction Review Revolving Fund.

The OPSC's highest priority in developing and implementing reductions was to minimize impact on processing school district eligibility and funding applications for Proposition 47 bond construction funds. To the extent possible, positions, temporary help, overtime and contract positions were selected from deferred maintenance, relocatable classroom inspections,

auditing, accounting, and administration programs and functions to meet the office's 12 percent special fund reduction requirements in the State School Facilities Fund and the State School Deferred Maintenance Fund.

For the CBSC, the total reduction of one position was the direct result of a vacancy swept per Executive Order D-71-03.

In this program area, no employees will be subject to layoff. Of the 11 positions targeted for reduction, two were filled. Both employees were placed into departmental vacancies occurring subsequent to submittal of the final reduction plan to DOF in September 2003.

What was the actual effect of this reduction?

Office of Public School Construction

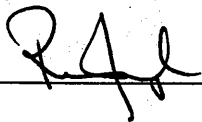
The OPSC reduction included ten positions, temporary help, overtime and external contract expenditure authority. One impact of the reduction is that diminishment of the timely processing of audits could result in ineligible district expenditures being funded. Work consists of auditing School Facility Program and Lease-Purchase funding applications. Statute requires School Facility Program projects be audited in a specific time frame after final expenditure reports are submitted or the project will be deemed closed and possibly allowing ineligible expenditures to go unnoticed. These audits result in a substantial return of funds to the program, which can be re-allocated to other projects.

California Building Standards Commission

With the reduction of one position, the BSC has a total of seven staff remaining. Impacts of the position reduction include:

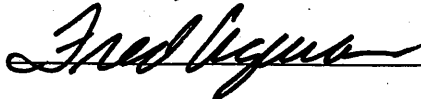
- CBSC can no longer meet its legislative mandate to maintain an annual code adoption cycle.
- CBSC can no longer meet its legislative mandate to adopt the most recent editions of model building codes within one year of their publication
- CBSC's ability to perform thorough and complete reviews of proposed building standards to ensure that they are valid and justified has been severely compromised.
- As mandated by law, CBSC is the state depository for local amendments to the building code and is experiencing a delay in the processing of local amendments and in notifying local jurisdictions of their receipt.
- CBSC is unable to process rulemaking actions submitted by other state agencies consisting of changes without regulatory effect for clarification of the building codes.
- CBSC is experiencing approximately a three-month delay in the publication of approved building standards.

Department Director Approval:



Date: 3/9/04

Agency Secretary Approval:



Date: 3-11-04

Control Section 4.10 Reductions By Program

Org. Code: 1760

Department: Department of General Services

REAL ESTATE SERVICES

How was reduction implemented?

The Department of General Services (DGS) Real Estate Services Programs have centralized responsibilities for planning, acquisition, design, construction, maintenance and operation to avoid duplication of effort and uncontrolled investment in office space. This is achieved in the following ways: (a) Providing adequate space for state operations at a cost below that which each agency could provide for itself; (b) Assuring protection of lives and property in public buildings through design and construction supervision; (c) Providing impartial hearings for the general public and construction industry in their interactions with state agencies; (d) Acquiring, managing and disposing of real property (except leases) for state agencies, and providing public service facilities with economy of operations and uniform practices for protecting the public's interests and insuring equitable treatment of private property owners; and (e) Preserving the state's capital investment in buildings, grounds, and equipment through an efficient and effective centralized maintenance and operations program.

The Real Estate Services Programs reduced 181 positions and \$11,768,525 in personal services and contracted personal services costs as part of the DGS reduction plan.

In April 2003, the DGS' initial approach to the personal services reductions was to examine the department from a business or programmatic perspective. Several criteria for prioritizing program reductions were identified including, but not limited to the following:

- Program reductions were considered before a degradation to all services
- The historical ability of a program to fully recover costs
- The program's relative priority in comparison to other departmental programs
- Is the program/service a DGS core competency

The DGS initial programmatic reduction strategy was altered by the issuance of Executive Order D-71-03 which abolished any vacant position on June 30, 2003 in order to create immediate savings. The DGS strategy was further altered as new Budget Letters (BL) 03-21 and 03-23 were issued by the Department of Finance (DOF) in July of 2003. These BL's directed departments to increase reduction plans from 10 percent to 12 percent of total personal services budgets and required the reduction be implemented by individual fund, rather than 12 percent of the department in total. The DGS initial 10 percent reduction plan was comprised mainly of Service Revolving Fund and Architectural Revolving Fund reductions, the two largest personal services funding sources in the department. The new BL's required the department to identify reductions in all twelve funding sources containing personal services.

Another reduction plan policy shift occurred in July 2003. In June of 2003, using Department of Personnel Administration guidelines, the DGS issued its first surplus status notices to employees in affected classifications. After surplus notices were mailed to departmental employees, the previous Administration shifted policy by declaring that reduction plans would be implemented to avoid the layoff of personnel. This would be accomplished by replacing filled programmatically targeted positions with positions becoming vacant after June 30, 2003.

The DGS final reduction plan thus became a combination of specific strategic programmatic reductions, required reductions by funding source, vacant positions abolished through Executive Order, and the elimination of post June 30 vacant positions throughout the department.

Included in the personal services reduction plan was the elimination of the Office of Energy Management (OEM). State Energy Project positions (16.0) were eliminated as remaining project workload will be absorbed by the Real Estate Services Division's (RESA) Project Management Branch. The OEM Administration Section (5.0) was eliminated. In addition, one Energy Resources Program Account funded position was reduced to meet required special fund 12 percent targets. The remaining OEM programs and positions (11.0) were redirected to the Division of the State Architect.

In this program area, no employees will be subject to layoff. Of the 181 positions targeted for reduction, 24 were filled. Employees in the filled positions have been placed throughout the department in vacancies occurring subsequent to submittal of the final reduction plan to DOF in September 2003 or have chosen to leave the department for other opportunities.

What was the actual effect of this reduction?

PROJECT MANAGEMENT, DESIGN AND CONSTRUCTION

The RESA has developed a mitigation plan to reduce the impact of the elimination of positions responsible for delivery of the state's design and construction program. Elements of the plan include (1) the prioritization of projects into 8 categories with the concurrence of the DOF, (2) achieving efficiencies through the grouping of projects, (3) redirecting existing staff, and (4) focused recruitment and hiring of positions with freeze exemptions where necessary. Based upon current workload projections, the Project Management Branch will be able to manage its assigned capital outlay projects with existing resources. The loss of Construction Services Branch (CSB) positions has resulted in capital outlay and special repair projects being delayed. The lack of sufficient resources has also impacted the CSB's ability to provide Construction Management Services on the smaller projects.

The elimination of the Design Services Section positions impacts the preparation of architectural drawings for Major and Minor Capital Outlay projects which are needed to stimulate the economy and for the continuation of mission critical state operations.

The elimination of Special Programs Section positions means a reduction in project management oversight of Hazardous Material Abatement and Remediation projects.

Currently, the Real Estate Services Section manages over 2,000 leases totaling nearly 21 million square feet with an annual rent exceeding \$396 million. Elimination of leasing positions means delays in projects underway, including projects to downsize space for a reduction in state facilities operations, intended to save the state funding.

As a result of these reductions many of the leasing responsibilities may be delayed, including oversight of the terms and conditions of executed leases, rent increases, changes of ownership and the resolutions of premise problems. Leasing projects provide a direct stimulus to both state and local economies via construction projects, which may also suffer.

The elimination of the Environmental Services Section (ESS) position impacts the efficiency of the preparation of program contracts as well as other critical documents. In addition, other administrative duties performed to provide project tracking and status reporting to customers, the DOF and the Legislature will also be impacted. Professional positions are now required to perform these functions, which take them away from their environmental duties. ESS provides Environmental Due Diligence, which protects purchasers and lenders from environmental cleanup liability and provides documentation for compliance with State and Federal Laws, as required by the California Environmental Quality Act (CEQA). The ESS protects the State from environmental liability. This reduction may create delays in the process that assures this protection.

The Cost Control Section serves as a central point of project support for the Professional Services Branch (PSB) project teams. The effect of losing the project support position means that project staff will be required to perform administrative duties, thereby causing delays in the project support services provided to PSB by the Cost Control Section.

BUILDING AND ASSET MANAGEMENT

Property Management Oversight and Building Administrative Support

Classifications and Number of Positions Lost: Building Manager III (8), Building Manager II (1), Office Technician (3), Office Assistant (1), Staff Services Analyst (1), Executive Assistant (1)

- Elimination of these administrative positions reduces the overall management of the building operations and maintenance in 93 state buildings that encompasses 3.4 million square feet of state owned space.

The following building issues will be negatively impacted:

- Response time to building security issues;
- Customer service, tenant relations, and response times;
- Health and safety programs that focus on providing a safe and secure working environment;
- Vital onsite building management and supervision;
- Compliance with numerous Federal, State and Local regulatory directives;
- Special Repair and other priority maintenance projects including contract and service order preparation;

Janitorial Services

Classifications and Number of Positions Lost: Janitor Supervisor II (6), Janitor (65.5)

- Elimination of these positions will negatively impact the following building maintenance services:
 - Floor Care, Room Cleaning, Restroom Cleaning, and Trash Collection
 - Indoor air quality;
 - Support of State mandated recycling programs;

Heating, Ventilation, and Air Conditioning (HVAC) Maintenance and Support

Classifications and Number of Positions Lost: Chief Engineer II (1), Stationary Engineer (8.5)

- Elimination of these positions will negatively impact the following building systems and programs:
 - Preventive Maintenance programs for state-owned equipment;
 - Emergency repair response times;
 - Indoor air quality monitoring and testing;
 - Response time to tenant requests;
 - Response time for various building emergencies such as flooding, HVAC System failures, electrical malfunctions;

Trades and Crafts

Classifications and Number of Positions Lost: Supervisor of Building Trades (1), Maintenance Mechanic (2), Building Maintenance Worker (4), Painter I (4), Warehouse Worker (2), Carpenter I (1), Supervising Groundskeeper I (1), Groundskeepers (4)

- Elimination of these positions will negatively impact the following essential services:
 - Critical maintenance, plumbing, electrical, and carpentry support services;
 - Response time to tenant requests;
 - Parking structure maintenance and safety services;
 - Graffiti removal services;
 - Essential preventive and remedial maintenance services on building equipment and systems;
 - Grounds keeping services at the following locations including the Capitol Grounds, Downtown State Buildings, Sacramento Metropolitan Area, San Jose State Building, Los Angeles Metropolitan area and at numerous other State Owned Buildings;
 - Mowing, pressure washing sidewalks, trash removal, pesticide application, weed abatement, leaf collection, tree trimming, and hazardous material collection (i.e. animal waste, etc.);
 - Deferred maintenance services.

Asset Planning and Enhancement (APE)

The APE planning unit has previously lost two of its four positions during recent reductions. The elimination of this additional APE position reduces the planning unit to 25% of authorized Associate Real Estate Officer staff. The result of this reduction will delay preparation of regional plans and implementation strategies for future state office requirements, which are presented in the Department's five year capital outlay and infrastructure plan. It will also delay child care surveys and five-year updates required by law. Also impacted will be the development of the statutorily required annual Capitol Area Progress Report.

Customer Account Management

Elimination of the Customer Account Manager will reduce CAMB to 70% of authorized staff. Specifically, this loss will have the following impact: Inability to provide adequate project support to at least four major and several secondary customers that will result in project delays, program interruptions, and communications' breakdown. Project oversight responsibilities will rise to over 480 projects per year per CAM. CAM will be forced to stop implementation next fiscal year on several departmental initiatives including divisional web-based service requests (CRUISE), and the Facility Performance Evaluation (FPE) program. Elimination of this position will reduce

Elimination of this position will reduce our ability to respond to, and mitigate problems/issues from customers before they are raised at the Directorate/Agency level.

Department Director Approval:

R. J. J.

Date:

3/9/04

Agency Secretary Approval:

Fred Aguirre

Date:

3-22-04

Control Section 4.10 Reductions By Program

Org. Code: 1760

Department: Department of General Services

STATEWIDE SUPPORT SERVICES

How was reduction implemented?

To fulfill their program responsibilities, state agencies require support services for business transactions and activities which are basic to their organizational functions. The Department of General Services (DGS) Statewide Support Services is responsible for providing this support which includes procurement of materials, communication, transportation, printing, and related business and office services. Other state agency support requirements include consulting services for legal contracts and insurance management. Additionally, licensing agencies require services of hearing officers for alleged violations by license holders. These diverse services are more effectively and economically provided under a consolidated program which centralizes resources, capabilities, talents, and facilities for efficient response to support requirements of client state agencies.

The Statewide Support Services Program reduced 194 positions and \$10,976,055 in personal services and contracted personal services costs.

In April 2003, the DGS' initial approach to the personal services reductions was to examine the department from a business or programmatic perspective. Several criteria for prioritizing program reductions were identified including, but not limited to the following:

- Program reductions were considered before a degradation to all services
- The historical ability of a program to fully recover costs
- The program's relative priority in comparison to other departmental programs
- Is the program/service a DGS core competency

The DGS initial programmatic reduction strategy was altered by the issuance of Executive Order D-71-03 which abolished any vacant position on June 30, 2003 in order to create immediate savings. The DGS strategy was further altered as new Budget Letters (BL) 03-21 and 03-23 were issued by the Department of Finance in July of 2003. These BL's directed departments to increase reduction plans from 10 percent to 12 percent of total personal services budgets and required the reduction be implemented by individual fund, rather than 12 percent of the department in total. The DGS initial 10 percent reduction plan was comprised mainly of Service Revolving Fund and Architectural Revolving Fund reductions, the two largest personal services funding sources. The new BL's required the department to identify reductions in all twelve funding sources containing personal services.

Another reduction plan policy shift occurred in July 2003. In June of 2003, using Department of Personnel Administration guidelines, the DGS issued its first surplus status notices to employees in affected classifications. After surplus notices were mailed to departmental employees, the previous Administration shifted policy by declaring that reduction plans would be implemented to avoid the lay-off of personnel. This would be accomplished by replacing filled programmatically targeted positions with positions becoming vacant after June 30, 2003.

The DGS final reduction plan thus became a combination of specific strategic programmatic reductions, required reductions by funding source, vacant positions abolished through Executive Order, and the elimination of subsequent vacant positions throughout the department.

Using the programmatic criteria discussed previously, the DGS decided to eliminate the Statewide Office of Support Services. In addition, several functions within the Procurement Division were either eliminated, consolidated, or downsized. Functions eliminated include Publication and Documents, State Material Services and the Imaging Unit within the State Records Center. Functions consolidated or significantly downsized include the Federal Surplus Property, State Surplus Property, Transit Storage and Traffic Management.

In this program area, two employees are facing layoff on March 15, 2004. Of the 194 positions targeted for reduction, 97 positions were filled. Employees in the filled positions have been placed throughout the department in vacancies occurring subsequent to submittal of the final reduction plan to DOF in September 2003 or have chosen to leave the department for other opportunities.

What was the actual effect of this reduction?

Telecommunications Division

Radio communications for all state public safety agencies are engineered, installed, maintained, and repaired by staff working for the Department of General Services, Telecommunications Division (TD). The TD lost 29 positions in the reduction plan, several of which were field technicians. The impact of this loss is exemplified by the current staffing situation in the greater Bay Area. In the Bay Area, the TD has only 9 technicians that are responsible for over 16,600 pieces of communications equipment used by agencies such as the California Highway Patrol, the Department of Justice, and the Department of Transportation to name a few. This equipment is scattered throughout the Bay Area region on mountaintops and in client's field offices. Of major concern is CHP's Golden Gate Dispatch Center in Vallejo. CHP runs the dispatch center 7 days a week, 24 hours a day. The TD has only one technician in the Vallejo shop. If there is a major natural disaster or other event that affects communications, CHP will experience an extended outage that will likely jeopardize health and safety in the surrounding community. The TD must dispatch staff from distant shops that adds to the delay in solving the problem and exacerbates the impact of the outage and jeopardizes the safety of the public.

The Telecommunications Division must delay or cancel some projects so that the high priority activities can be completed.

Office of Administrative Hearings

The Associate Governmental Program Analyst position was the Contract Manager and Business Services Officer for the Office of Administrative Hearings (OAH) with direct responsibility for supervising over 60 contracts, and had overall responsibility for procurement and contract compliance by OAH, along with oversight of the hundreds of agreements OAH has with local agencies. Without this position, OAH is not:

- Certain of its compliance with all rules for acquiring goods and services.
- Managing its contracts, including small business compliance, with service providers ranging from court reporters to pro tempore judges to basic equipment needs. For example, court reporter contract billings are passed on without any review, and inadequate contractor performance is not being addressed.
- Negotiating, coordinating, preparing and processing Interagency Agreements, resulting in a decreased level of service to client agencies (i.e., Department of Developmental Services, Corrections, etc.)
- Planning for major purchases necessary to maintain and upgrade critical tools such as the Case Management system.

As a consequence of the elimination of the Legal Support Supervisor position, Support Staff are not being coordinated to ensure efficiency of the overall team in the Los Angeles Regional Office, OAH's largest office, which handles over 50% of OAH's workload. Specific effects include:

- New cases are not being opened and calendaring does not commence until approximately three weeks after the hearing request is received.
- The front counter is not staffed between 12:00 and 1:00 and anyone needing assistance (generally several walk-ins per hour) must return at a later time.
- Phone calls are not being answered, resulting in calls going to voice mail approximately 2 hours/day.
- Decisions are being issued later, increasing the occurrence of violations of the law requiring that proposed decisions be issued 30 days from case closure.
- Boxes of case files are piling up in the hallways because the LSS cataloged and archived closed case files.
- The official calendar is not updated timely, meaning Judges are getting assigned to cases at the last minute, parties do not know what judge is hearing the cases, and the right to a peremptory challenge is rendered irrelevant.
- Presiding Judge is forced to handle routine clerical supervision as time permits, and therefore unable to manage caseload effectively. For example, continuance requests are not getting processed timely, meaning the cost to parties for the proceeding increases because they prepare for presentations that are delayed at the last minute.

Office of Risk and Insurance Management

- Motor Vehicle Self-Insurance Liability Program – higher caseloads for staff. The effect has resulted in delays to the public on initial contacts on new claims. Initial contact to claimant has increased from 24 to 48 hours. Response to information or correspondence on existing claims has also increased from 48 to 72 hours on most cases.

- Health and Safety Training – delays in responding and resolving training issues from state and other public entity representatives and students related to registrations, confirmations, and billings. Turnaround time has increased from 2 to 5 days.
- Insurance Services - Owner controlled insurance programs (OCIPs) –reductions have impacted ability to work on future OCIPs. OCIPs save approximately 1% of construction costs on building projects. Currently, the office is working on four OCIPs and recently received a request for OCIP for a Caltrans project with construction costs of \$740 million.

Statewide Office Systems Support

The Statewide Office Systems Support (SOSS) was eliminated. A total of 51 positions were reduced.

The SOSS provided statewide comprehensive technical support for personal computers, peripherals and other standard office equipment to state agencies, state universities, city and county governments, public schools and special districts. For over 60 years, SOSS offered remedial maintenance, preventative maintenance, warranty management, upgrade services, relocation services as well as staff augmentation and consulting services throughout California.

The elimination of SOSS has created 1) a negative impact on the State's ability to maintain and manage its office equipment; 2) a significant increase in client's agencies support costs and related administrative workload; 3) potential labor relations problems for State agencies, and 4) dissatisfied DGS customers whose reliance on SOSS had increased during the recent budget crisis.

The Office of Fleet Administration

The Office of Fleet Administration has experienced a reduction of eight positions.

This has resulted in the need to consider closure of the Van Nuys satellite garage operation and redirect the remaining positions to other garages that experienced loss of staff: The San Francisco satellite garage has been operating without a direct supervisor for the last year. For safety reasons both of these garages must operate with a minimum of 4 staff to maintain current garage hours. (Loss of 3 garage staff)

The Inspection Services Program needs to restructure its operation, including the closure of the Call Center at the Sacramento Garage. The types of mobile equipment being inspected will be reduced to address reduced resources. (Loss of 2 positions in the Call Center)

Office of State Publishing

The Office of State Publishing (OSP) has experienced a dramatic decline in customer orders in FY 2003-04 primarily attributed to the cuts in the operating budgets of the many customer agencies. This 62.0 position reduction has had little or no impact to the organization's ability to meet customer demands because of the decline in overall customer demand for printing, although it has necessitated some re-direction of the remaining workforce.

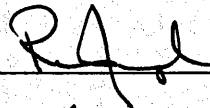
Procurement Division

Many of the reductions implemented by the Procurement Division (PD) have direct effect only to other state agencies. Depending on the effect of the reductions on the services those agencies provide, there may be an impact to the public.

The activities that the PD reduced which directly impact the public are:

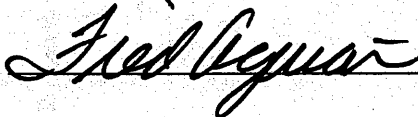
- Efforts to increase electronic storage of state (public) records have been reduced. This reduction delays lowering paper costs and decreased vulnerability of public records.
- Small and disabled veteran businesses must be certified to receive bidding preferences. The department may exceed the 30 working days allowed by law to process certification applications and could result in businesses missing opportunities to do business with the state.
- The reductions of traffic management efforts could result in higher rates and more damage claims paid with public funds.
- Closure of the centralized point-of-sale of state publications to the general public makes purchasing these publications less convenient.
- The state property reutilization Southern California distribution center has been closed. Public sales will be conducted only at the Sacramento facility limiting the customer base to that region or requiring customers to travel and transport property to other parts of the state.
- The State Materials Services Program reduction requires the Prison Industry Authority to store and distribute their products. It also requires state agencies to contract directly for miscellaneous supply items.
- The Federal Surplus Property Program is responsible to distribute surplus federal-owned property in the State of California to state and local government agencies, public school districts, certain non-profit organizations and certain small business (donees). This reduction changes operations from regional to statewide and will be operated entirely from Santa Ana. The department has ceased to warehouse federal surplus property, and is now focusing solely on donees' direct pick-up of property from Defense Reutilization Marketing Offices and government prime contractor locations.

Department Director Approval: _____



Date: 3/9/04

Agency Secretary Approval: _____



Date: 3/11/04

Control Section 4.10 Reductions By Program

Org. Code: 1760

Department: Department of General Services

ADMINISTRATION

How was reduction implemented?

The Department of General Services (DGS) Administration Program provides the executive leadership for the department by directing departmental operations, setting policy, making decisions concerning program operations and ensuring that departmental programs and services are carried out in accordance with the Governor's policies and legislative intent as codified in the State Constitution, the Government Code, the Administrative Procedures Act and the State Administrative Manual. This program also provides the department with the necessary personnel, administration, training, budgeting and accounting services necessary to ensure smooth and efficient operating of the line functions of the department. Personnel Services are also provided for various boards and commissions.

The offices in this program area include: the Executive Office, Offices of Fiscal Services, Human Resources, Legislation, Business Services, Audit Services, Technology Resources, Statewide e-Government Initiatives, Research, Planning and Measurement, and the Chief Information Officer.

The Administration Program reduced 33 positions and \$2,514,743 in personal services and contracted personal services costs.

In April 2003, the DGS' initial approach to the personal services reductions was to examine the department from a business or programmatic perspective. Several criteria for prioritizing program reductions were identified including, but not limited to the following:

- Program reductions were considered before a degradation to all services
- The historical ability of a program to fully recover costs
- The program's relative priority in comparison to other departmental programs
- Is the program/service a DGS core competency

Most of the functions in the Administration Program are overhead in nature. The costs of the overhead functions are distributed to DGS billable functions and recovered in service rates. The DGS recognized that overhead functions required commensurate reductions with non-overhead functions to avoid a negative impact to service rates.

The DGS initial programmatic reduction strategy was altered by the issuance of Executive Order D-71-03 which abolished any vacant position on June 30, 2003 in order to create immediate savings. The DGS strategy was further altered as new Budget Letters (BL) 03-21 and 03-23

were issued by the Department of Finance in July of 2003. These BL's directed departments to increase reduction plans from 10 percent to 12 percent of total personal services budgets and required the reduction be implemented by individual fund, rather than 12 percent of the department in total. The DGS initial 10 percent reduction plan was comprised mainly of Service Revolving Fund and Architectural Revolving Fund reductions, the two largest personal services funding sources. The new BL's required the department to identify reductions in all twelve funding sources containing personal services.

Another reduction plan policy shift occurred in July 2003. In June of 2003, using Department of Personnel Administration guidelines, the DGS issued its first surplus status notices to employees in affected classifications. After surplus notices were mailed to departmental employees, the previous Administration shifted policy by declaring that reduction plans would be implemented to avoid the lay-off of personnel. This would be accomplished by replacing filled programmatically targeted positions with positions becoming vacant after June 30, 2003.

The DGS final reduction plan thus became a combination of specific strategic programmatic reductions, required reductions by funding source, vacant positions abolished through Executive Order, and the elimination of subsequent vacant positions throughout the department.

In this program area, no employees will be subject to layoff. Of the 33 positions targeted for reduction, 15 were filled. Employees in the filled positions have been placed throughout the department in vacancies occurring subsequent to the submission of the reduction plan or have chosen to leave the department for other opportunities.

What was the actual effect of this reduction?

Office of Technology Resources

The Office of Technology Resources (OTR) provides internal information technology support services to all programs areas within the DGS, and external support to various initiatives of the Administration (i.e.: California Performance Review). These all inclusive services include: network services, helpdesk and personal computing support, applications and web development, database administration, IT project management, and information security management.

Due to the elimination of the DGS Statewide Office Systems Support (SOSS) the OTR has been significantly impacted by SOSS staff displacing the OTR technical staff of lesser seniority. This has resulted in a loss of critical programmatic and technical skills and knowledge including, but not limited to: 1) loss of the capacity to develop new applications; 2) significant reduction in network and security support staff; and, 3) the loss of all desktop support staff with advanced skills.

The combined impacts require the OTR to: 1) redirect its remaining skilled workforce on maintaining the operations and security of existing applications; 2) Postpone new application development projects and upgrades to existing applications pending the availability of trained staff resources. Desktop support has been negatively impacted by the reduction in skilled staff. This condition will exist for a minimum of twelve months. In the mean time while DGS is training new security IT specialist we run a very high risk of vulnerability to our IT infrastructure and assets.

Office of Human Resources

- Reducing or eliminating centralized training will actually be costly to the DGS because of duplicate efforts in DGS overall training plan development implementation and associated costs.
- Oversight and continuous updating of the Human Resources Modules of ABMS; Training on the ABMS applications; and Consultation will be adversely impacted by lack of timely and proper issuance of pay to employees; failure to do so can result in Fair Labor Standards Act (FLSA) violations and timely payment of wages penalties.
- By eliminating staff support in the Classification & Pay Unit, client agencies are left without critical personnel services and related support. This could result in placing clients in jeopardy of being unable to meet their operational needs due to under or inappropriate staffing. These agencies will need to obtain human resources support from other departments or eventually incur increased expenditures if they establish their own human resources operations.

Office of Fiscal Services (OFS)

In the Budget and Planning Section, due to the loss of two positions (18.2%) in 2003-04 and one position in 2002-03, the nine remaining section employees will focus its efforts on its core responsibilities (preparation of the Governor's Budget). Staffing reductions are resulting in responses to budgetary concerns in the department to be delayed, as well as information provided to control agencies.

The DGS Accounting Section was reduced by 4.9 positions or 7.6% of total staffing. Over the last three years, a total of 11 positions have been reduced. The general overall workload for the DGS Accounting Section has not significantly changed because of the department-wide budget reductions and hiring freeze. The majority of the functions performed in state accounting are required by various laws, codes, State Administrative Manual, Board of Control rules, DPA rules, or by control agencies (e.g., Department of Finance, State Controller's Office, State Treasurer's Office, etc.) and must comply with proper internal controls. As a result of the lost positions, staff throughout the section has been redirected to the most critical daily operational functions in the areas of payment services, disbursement and cashiering services, and receivable services. In addition, after an evaluation of workload was performed within the DGS Accounting Section, a position was redirected from the Capital Outlay Accounting Unit to SRF Accounting in December 2003. Even with these redirected positions, there has been a need to reduce the frequency of many services provided to our customers.

Department Director Approval: _____

Date: 3/9/04

Agency Secretary Approval: _____

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Appeals	-1.0	-\$51,308	-\$0

Program Description

Appeals activities include adjudication of evidentiary appeals, including dismissals, rejection during probation, suspensions, medical terminations and demotions. The civil service system also requires review and resolution of non-evidentiary issues, including withholds, voided appointments, examination and merit issue complaints; discrimination complaints, whistleblower complaints, reasonable accommodation requests, Request to File Charges appeals and psychological or medical disqualifications and drug-screening failures.

How Was Reduction Implemented?

The duties of this position were redirected to other individuals within the program. The incumbent was moved into another program vacancy to avoid layoff.

What Was the Actual Effect of this Reduction?

The reduction of 1.0 position and \$51K dedicated to these functions will reduce appellate services; delaying investigation, hearing, adjudication and resolution of disciplinary and merit appeals filed with the Board.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

Appeals has lost 8.7 positions or 19% of its staff resources since FY 2001-02. These reductions have created delays in the adjudication of evidentiary and non-evidentiary appeals issues and could result in potential increased litigation.

Department Director Approval:

Joan Allison for
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval:

Fred Aguirre

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Layoff	-1.0	-\$0	-\$74,811

Program Description

Civil service laws and rules require that SPB review layoff plans to determine the applicability of Government Code Section 19798 and to adjust the order of layoff and reemployment to maintain racial and gender composition of an affected workforce when it finds evidence of discrimination in past hiring practices. SPB is also responsible under civil service laws and rules for processing and maintaining surplus, SROA and re-employment lists for those employees impacted by staff reductions.

How Was Reduction Implemented?

Layoff activities resulting from proposed previous statewide reductions were delayed, with the result that layoff activity workload did not generate as quickly as anticipated. On that basis, this position was vacant and did not require layoff of an incumbent.

What Was the Actual Effect of this Reduction?

The reduction of 1.0 position and \$75K dedicated to these functions will reduce SPB's current ability to review departmental layoff plans timely and to maintain surplus, SROA and Reemployment lists on a timely basis.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

This program was funded on a one-year limited term basis, i.e., for FY 2003-04. There have been at least two budget reduction drills since that time, although layoff activities were generally delayed statewide with the result that SPB's layoff workload was not completed during FY 2003-04 and is currently at a peak and anticipated to continue through FY 2004-05.

Beginning in FY 2004-05 there are no available resources at the SPB to provide these layoff services, with the result that resources will have to be redirected from other areas, including critical mandated functions.

Department Director Approval: Juan Allison for
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval: Fred Aguilar

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Exams	-3.0	-\$200,448	-\$0

Program Description

Examination Services provide efficient and cost effective civil service examinations to state departments and ensure the equitable treatment of all candidates in the testing process. Activities include test development, validation and administration on a statewide basis, to ensure a merit system of employment in State government.

How Was Reduction Implemented?

Duties of these positions were redirected to other individuals within Exam Services. Incumbents were moved to vacancies in other program areas in anticipation of these program reductions with the result that the positions were vacant and did not result in layoff.

What Was the Actual Effect of this Reduction?

The reduction of 3.0 positions and \$200K reduces the level of support for exams developed and administered by SPB and consultation to departments regarding the administration of job-related, legally defensible, selection processes. Delays in test development and administration compound hiring difficulties by State departments in staffing critical functions.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

Exam Services has lost 18 positions or 40% of its staff resources over the past few years. Some areas, including recruitment, outreach and employment service center activities have been essentially eliminated. Other examination areas were reduced by nearly one-third, resulting in decreased exam activities, including Internet examinations. In addition, the Office of Civil Rights has been reduced approximately 30% substantially reducing SPB's ability to provide guidance and assistance to State departments and monitor their compliance with State and federal equal employment opportunity requirements. Another area reduced has been bilingual services which is proposed to lose 1.0 position or 17% of its current staffing, significantly reducing assistance to State departments and the non English speaking public seeking employment and other services from the State of California.

Department Director Approval: Juan Allison Ju
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval: Fred Aguilar

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Psychological Screening	-1.0	-\$86,449	-\$0

Program Description

The Psychological Screening Program provides psychological screening services to 29 state departments that hire peace officers. In the last fiscal year, this included psychological screens of over 5,000 peace officer candidates.

How Was Reduction Implemented?

Duties of this position were redirected to other individuals within the program. This position was vacant and did not result in layoff.

What Was the Actual Effect of this Reduction?

The reduction of 1.0 position and \$86K in the Psychological Screening Program will result in additional delays in the processing of psychological evaluations, resulting in delays in clearing peace officer candidates for hire by State departments.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

This program has lost 3 positions or 23% of its staffing resources over the past few years, resulting in substantial delays in hiring peace officer candidates by numerous State departments.

Department Director Approval: Juan Allison for

Date: 3/9/04

Agency Secretary Approval: Aled Cyman

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Temporary Help/Overtime	-6.0	-\$139,953	-\$0

Program Description

Temporary help and overtime is used throughout SPB in areas such as Appeals, Examination Services, Psychological Screening, and other program areas in order to keep up with workload and assist in meeting Constitutionally-mandated program responsibilities.

How Was Reduction Implemented?

Duties of these positions were redirected to permanent staff within the program. These positions were staffed on a permanent intermittent basis and did not result in layoff.

What Was the Actual Effect of this Reduction?

The reduction of 6.0 PYs and \$140K has caused delays and a reduction of services in the appeals, exam services, psychological screening, policy and administrative support areas.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

SPB lost 6.0 PYs and \$231K of its temporary help and overtime resources over the past few years. Appeals, Examination Services, Psychological Screening, Policy and Administrative Services have experienced workload delays and difficulty in meeting Constitutionally and statutorily mandated responsibilities.

Department Director Approval: Joan Allison for
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval: Ed Aguilar

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Information Technology	-0.0	-\$0	-\$32,034

Program Description

The SPB maintains and enhances the Online Examination and Certification System and the Management Information System (MIS) Servicewide Database. The Examination System is used by departments to schedule and track candidates through the civil service examination process. The Certification System processes and maintains civil service eligible and certification lists. These legacy systems are used by over 150 personnel offices, including almost every State department, for hiring and promoting employees. The MIS Servicewide Database is used to produce management reports for managing human resources and monitoring the state workforce. Teale provides a cost effective, secure mainframe environment that supports these applications and allows us to deliver SPB products and services to user departments. Teale's network also allows access to the SPB Website and all Internet applications housed at SPB.

How Was Reduction Implemented?

Some of the costs of maintaining the on-line cert system will be passed on to client departments.

What Was the Actual Effect of this Reduction?

The \$32K reduction to SPB's budget for Teale services will result in higher reimbursement costs to client departments.

Discussion of Prior Administration Reductions From 2002-03 Through 2004-05

This program has lost 8.0 positions or 45% of its staffing resources over the past few years. ASD's IT staff support all SPB data processing activities, including personal computer database systems, Internet applications and mainframe based data systems providing examination and on-line certification services to departments statewide. The program is also responsible for the development of innovative technology projects and solutions for SPB and/or support to departmental personnel management systems. The elimination of these resources will result in reduced services to departments, including delegated and on-line examinations and certification services and will eliminate the Board's ability to look at enhanced automation solutions to address problems created by reduced staff.

Department Director Approval:

Joan Allison Jai
Lama Aguilera

Date: 3/9/04

Agency Secretary Approval:

Fred Aguilera

Date: 3-11-04

Control Section 4.10
Reductions By Program

Org. Code: 1880

Department: State Personnel Board

<u>Program</u>	<u>Positions</u>	<u>Reimbursable \$</u>	<u>General Fund \$</u>
Program 40, CPS	-0.0	-\$283,047	-\$0

Program Description

Government Code Sections 19800 through 19810, Welfare and Institutions Sections 10605, 10801 and 10803, and Family Code 17604 require the State Personnel Board to administer a merit-based system of employment for specific programs in local government, as a condition of federal funding. The State Departments of Social Services, Health Services, Child Support Services, and Office of Emergency Services receive federal monies to ensure a merit-based system of employment in 58 counties for employment maintenance, food stamps, employment service, social service, Medical, Office of Emergency Services and Child Support Services staff. These agencies contract with SPB and SPB subcontracts with Cooperative Personnel Services (CPS), a Joint Powers Agency, for these services. Through this contract/subcontract process, SPB retains administrative oversight of the counties' personnel functions and ensures their continued compliance with federal merit system standards as a condition of federal funding. Personnel services provided by CPS include classification, recruitment and selection, equal opportunity, training, and appeals, including grievances and discrimination complaints. In addition, CPS provides consultation to the counties on a wide variety of personnel management issues, including interpretation and application of the Local Agency Personnel Standards and conducts audits/prepares audit reports of county personnel systems to ensure compliance with the federal standards.

How Was Reduction Implemented?

Some recruitment, classification, examination and audit activities were scaled down or delayed to accommodate the reduced reimbursement authority.

What Was the Actual Effect of this Reduction?

The reduction of \$283K in this program will delay audits and a number of critical classification/examination activities in some of the smaller counties.

Department Director Approval: Jean Allison for
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval: Fred Aguilera

Date: 3-11-04

Control Section 4.10 Reductions By Program

Discussion of Prior Administration Reductions in Other Areas From 2002-03 Through 2004-05

Although not part of this reduction drill, significant reductions in other areas have been drastic, significantly impacting SPB's ability to perform critical functions.

The Policy Division is responsible for developing, maintaining and managing the Board's personnel management policy program to ensure fair and effective employment practices statewide, i.e., including all state departments, agencies, boards and commissions. These agencies are reliant on the Policy Division to develop and implement appropriate civil service laws, rules, policies and procedures and to provide consultation, technical assistance, and oversight to departments to ensure these are properly administered statewide. One of the activities of the Policy Division intended to ensure compliance with personnel management policies and requirements is the Quality Assurance function. In addition to providing consultative and technical support, staff in this unit oversee departmental compliance with relevant requirements through paper reviews and/or on-site reviews, scheduled on a cyclical basis or in response to issues raised by various constituents. As compliance issues are identified, Policy staff work to advise and assist the departments in correcting deficiencies. Policy staff also have responsibility for assessing and re-assessing personnel management policies and procedures on a continual basis, to address changing demographics, statutory or case law, and socio/economic conditions which effect state employment. These staff identify areas of the civil service system, which are not responsive to today's employment needs and seek to implement effective change through special studies and/or demonstration projects.

This program has lost 17.5 or 83% of its staff resources, virtually eliminating SPB's ability to audit departmental personnel programs and to identify and correct violations of the civil service system. These reductions also severely limited SPB's ability to provide support and guidance to departments, resulting in additional violations of civil service laws and rules and increased appeals workload in a number of areas, including selection and appointment, potentially resulting in increased court challenges.

Administrative services are absolutely vital to support SPB programs in the performance of Constitutional responsibilities. Business Services provides support services in a number of critical areas, including facilities management, procurement, security and mailroom and duplicating functions, which are directly responsible for support of exam activities through duplication and assembly of exam bulletins, test booklets and other test materials, and shipment and tracking of all exam materials throughout the state. Business Services also duplicates and distributes laws, rules, Board agendas, calendars and other Board materials, which directly support enforcement of the civil

service system. Fiscal Office staff provide all accounting, budgeting and contracting functions for SPB, including processing of interagency agreements for examination and other services, i.e., invoicing departments consistent with contract provisions, applying reimbursements, managing cash flow, etc. Personnel Office staff handle all benefits, workers compensation, civil rights, training, exams, health and safety, position control, adverse actions, labor relations, grievances and other complaint activities for Board staff.

This program has lost 10.0 positions or 45% of these staff resources, causing operational delays in virtually every SPB program.

In summary, the Control Section 4.10 Budget Reductions included the loss of 6.0 permanent, full-time positions, 6.0 temporary help positions and \$868,000, including \$107K General Fund and \$761K Reimbursement Authority. The total effect, however, of cumulative SPB staff reductions from FY 2001-02 through FY 2004-05 is much more dramatic, including a loss of 70 positions (35%) of SPB's staffing resources. These reductions have significantly reduced SPB's ability to perform its Constitutionally and statutorily-mandated program activities and has negatively impacted SPB services to State departments and the public, in their efforts to gain employment within the State of California.

Department Director Approval: Joan Allison for
Laura Aguilera

Date: 3/9/04

Agency Secretary Approval: Hellegua

Date: 3-11-04